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New York

President: Mr. Kerim ..... (The former Yugoslav Republic of Macedonia)

The meeting was called to order at 3.10 p.m.

Agenda item 53 (*continued*)

Follow-up to and implementation of the outcome of the International Conference on Financing for Development

(b) High-level dialogue for the implementation of the outcome of the International Conference on Financing for Development

Reports of the Secretary-General (A/62/190 and A/62/217)

Note by the Secretary-General (A/62/271)

Summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (New York, 16 April 2007) (A/62/76 and A/62/76/Corr.1)

The President: I now give the floor to His Excellency Mr. Bert Koenders, Minister of Development Cooperation of the Netherlands.

Mr. Koenders (The Netherlands): Today we are discussing the urgent question of if and how we will be able to finance the Millennium Development Goals (MDGs) so that they can be reached by 2015. Many countries are lagging behind in reaching many of the MDGs, so we need to step up our efforts and keep our promises. Many Group of Seven countries and new emerging donors have not come up with additional financing. Official development assistance (ODA) in the past year decreased; the trade negotiations that promised to finalize a so-called development round are stalled; many countries still have to wait for the Heavily Indebted Poor Countries Debt Initiative (HIPC) process of debt reduction to be dealt with; and many developing countries have not yet stepped up their efforts to invest in human development.

This morning, the Secretary-General signalled a mixed picture of progress and setbacks in his report on the follow-up to the International Conference on Financing for Development. Serious work and responsibilities lie ahead for all of us.

Today we are witnessing growing inequality between and within States. The world economy is growing, which is a crucially positive development, but at the same time we are faced with three fundamental challenges — first, poverty and the unequal distribution of wealth; secondly, poverty and climate change; and thirdly, poverty and the unequal distribution of security. These three challenges are interlinked in a complex manner. Our efforts should focus on solving all three fundamental challenges by acting urgently.

This must be done by, first, by stepping up our efforts. In the countries where the MDGs are off track, measures have to be taken in the domestic arena to ensure progress in fields such as progressive taxation, democratic accountability and transparency. In support of these national efforts, international efforts, both

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through transfer of funds and through meaningful political dialogue, can and should also play a role of greater importance. The Netherlands has been a consistent 0.8 per cent donor for decades, and we have added in the new cabinet period 700 million euros extra to start addressing the environmental adaptation agenda for least developed countries. In spite of all the promises made in the past few years, including those made in this arena, worldwide development aid even dropped by five per cent last year.

As the international community, let us implement the Monterrey agreement. We fall way short of our targets. If we are to attain the Millennium Development Goals, we need to reverse this trend. The European Union (EU) decision to raise its ODA level in accordance with specific targets and a timetable for the coming years can now be realized. We expect more G-7 and non-traditional donor countries to join us in delivering the agreed 0.7 per cent United Nations target.

Secondly, the enhancement of the quality and effectiveness of our ODA spending is at least as important as the levels of spending. Over the years, the international aid architecture has become increasingly complex. Funding decisions and budget allocations are increasingly linked to performance and accompanied by demands for more transparency and better accountability. Also, we need to limit conditionality to key areas only. This is positive and very much needed, but major challenges remain, as also signalled by the Secretary-General this morning — effective ownership, lower transaction costs and predictability of aid, less bureaucracy and fewer endless rules, regulations and reports. I really call on United Nations agencies to reverse this negative trend of more and more paperwork. What really counts are results on the ground, in the country. The monitoring of results and follow-up of mutual commitments at country level are essential, but this requires, first and foremost, strong leadership and the involvement of parliaments and civil society — that is, the people on the ground. We have to make sure that in Accra, next September, the Paris Declaration can be taken a step further — towards double accountability, and this will require political leadership.

But even more stable and predictable funding is not enough. I will increase the amount of multi-year core funding for United Nations organizations that perform well and, in the near future, for "One United Nations" country programmes. I call on all donor countries to do the same. In this light, I look forward to contributing to the elaboration of principles of good multilateral donorship.

The third challenge concerns trade. Trade and phased integration into the regional and world economies are essential preconditions for economic development and poverty reduction. The poorest countries need to be supported with their integration into the world trade system, but we must allow them to protect their own markets for some time against the sometimes unfair competition that affects vulnerable sectors, the development of rural areas and food security.

Since Monterrey, more challenges have been facing us. Global security issues and climate change place us before new hurdles on our way to MDG realization. We have to re-think our financing mechanisms to stay ahead of these developments. I would, in conclusion, like to share my ideas on these issues with you as food for thought for our discussion.

First, when it comes to climate change, we have to bear in mind that the poorest countries are the main victims of the more extreme weather conditions, droughts and floods. A temperature rise of only two degrees will destroy the coffee sector that is so crucial to Uganda, for instance, a country I visited only a few months ago. I consider this issue to be of great importance to the Monterrey review. How can we improve our responses to climate change? What does it mean for our levels and ways of ODA spending and other financial mechanisms? At the G-8 meeting in Heiligendamm in Germany, some steps were taken in the right direction in terms of seriously considering the goal of 50 per cent fewer emissions by 2050. I hope that at the United Nations climate summit at Bali later this year, we will see this constructive attitude turned into substantive action. But it is also is a matter of restructuring our financial flows, taking new innovative steps and forming public-private partnerships. We cannot do it in the same ways that we have done it up until now. I hope we will be able and willing to answer some of the questions ahead of us in time for our meeting one year from now in Doha, Qatar, on the bases of the polluter pays principle, shared responsibility and additionality.

When it comes to fragile States, we should recognize that the majority of the world's billion

people living at the bottom in sheer misery are in these States. Effective assistance to these States is still lacking. There is not enough money, nor is there effective cooperation in multi-donor trust funds or between development, diplomacy and defence. This is unacceptable. I just came back from the Sudan, and I see how much work we still have to do to improve these multi-donor trust funds.

In Doha next year, we will be obliged to show the world that we have not taken our previous promises for granted. New developments and challenges have to be taken into account. Emerging issues, such as innovative finance, new donors, harmonization, South-South cooperation, to mention just a few, need to be carefully studied and selected to be dealt with substantively in Doha.

Sometimes, we are puzzled by the complexity of the matters we discuss. However, complexity must never be an excuse for passivity. The Netherlands, therefore, remains committed to actively participate in and contribute to the financing for development process. We call on everyone to step up their efforts. The world is more and more characterized by political, economic and cultural fault lines. This is no longer acceptable.

The President: I now call on His Excellency Mr. Kwadwo Baah-Wiredu, Minister of Finance and Economic Planning of Ghana.

Mr. Baah-Wiredu (Ghana): It is a privilege for me and my delegation to participate in this important High-level Dialogue on Financing for Development. The theme could not have come at a better time, particularly as we prepare for the Doha conference in 2008.

Ghana aligns itself with the statement delivered by the representative of Pakistan on behalf of the Group of 77 and China.

In the year 2001, world leaders gathered in Monterrey and resolved to address the challenges of financing for development around the world, particularly in developing countries. The goal of the Monterrey Consensus was to eradicate poverty, achieve sustained economic growth and promote sustainable development.

The Consensus is based on the contemporary view that international cooperation for development should be viewed as a partnership between developed and developing countries. Developing countries must accept primary responsibility for their development, including strengthening governance, combating corruption and putting policies and investments in place to drive economic growth and employment, thereby maximizing domestic resources available to fund national development strategies. Developed countries, for their part, are to provide the support that developing countries need, in the form of increased development assistance, development-oriented trade systems, wider and deeper debt relief and increased private financing.

A considerable number of developing countries are making tremendous strides towards achieving the internationally agreed development goals, including the Millennium Development Goals (MDGs). I want to assure the Assembly that Ghana will achieve Goal 1 by the end of 2008. Our efforts have also received encouraging support from development partners, particularly in the area of debt relief, which has seen improvements, especially since 2005.

Despite those achievements, challenges remain. The world is still confronted by acute and increasing social and economic inequalities. Some poor countries, particularly in sub-Saharan Africa, are not likely to achieve the MDGs by 2015. Official development assistance has also declined, despite pledges to the contrary, and developments at the Doha negotiations so far provide little comfort for developing countries.

Permit me now to share with representatives the outcome of the Second African Ministerial Conference on Financing for Development, held in Accra.

In May 2007, the Government of Ghana hosted the Second African Ministerial Conference on Financing for Development. The theme of the Accra conference was "Infrastructure for Growth — the Energy Challenge". The main focus of the Conference was the energy sector — particularly its financing and its contribution to the growth agenda for meeting the MDGs by 2015.

The outcome of the discussions comprised 15 concrete action points for Governments, international partners and the private sector, aimed at addressing the dual challenge of increasing access to energy for the poor and ensuring the reliable functioning of existing energy infrastructure. Those points include the following. Governments must strengthen planning frameworks to take into account

and accelerate the pace of current regional initiatives such as the Inga Dam project in the Democratic Republic of the Congo, regional power pools and gas pipeline projects. International partners must deliver on past promises and pledges for development assistance, and then scale up aid to the energy sector and develop new funding instruments and mechanisms for transboundary energy projects. The private sector must, through financial institutions, develop new financing instruments such as infrastructure bonds. It is important that the action points be implemented by all stakeholders in order to advance the development of the continent.

One sure way in which African countries can finance our development is through fair international trade. It is therefore imperative that all well-meaning countries make the adjustments necessary to make it possible for the current trade talks to be concluded.

Our countries have realized that most of the aid that we receive — be it in the form of loans or grants — is supposed to be tax-exempt. Those exemptions have assumed proportions that have made them unsustainable. In fact, in Ghana they amounted to 3 per cent of our gross domestic product in 2006. There is a need for development partners to review the tax exemption policies incorporated into their aid programmes.

We need to take a long-term view of financing programmes, as Ghana has done with regard to its 2057 budget, which takes into account what could happen over a period of 20 to 50 years.

The increasing significance of emerging donors, such as China and India, in recipient countries means that they are increasingly involved in the development dialogue and in decision-making. Their further involvement would enhance the quality of that dialogue and would contribute to aid harmonization.

We are interested in the carbon credit mechanisms, which would help us to know what is really going on. We are also very happy to point out the need to front-load aid to enable recipient countries to embark on their projects and programmes in a timely manner. We are aiming to achieve the One Laptop Per Child project, designed to bridge the gap between developed countries and developing countries. Ghana is seeking to assemble approximately 5 million personal computers in order to make sure that its schoolchildren have access to them. I hope that we will be supported in that effort.

The President: I now call on His Excellency The Honourable Samuel Mumbengegwi, Minister of Finance of Zimbabwe.

Mr. Mumbengegwi (Zimbabwe): It is a pleasure for me to be here today to share ideas on the important subject of financing for development. My delegation aligns itself with the statement made by the representative of Pakistan on behalf of the Group of 77 and China.

The Monterrey Consensus of 2002 launched a new partnership for financing for development, especially the internationally agreed goals, including the Millennium Development Goals (MDGs). The discourse we are having today provides an opportunity for us to assess progress made, recognize obstacles and constraints and identify new challenges, opportunities and emerging issues of concern, particularly to developing countries.

The primary responsibility for national development is vested in national Governments. Zimbabwe, like other developing countries, is making every effort to achieve the MDGs by 2015 and to invest in the crucial areas of agriculture, infrastructure development, health and education. The MDGs have provided us with a framework for putting poverty reduction and human well-being at the centre of our development efforts, and we have made great strides in education and health.

However, rising poverty levels remain a challenge for Zimbabwe, undermining the achievement of the MDGs. Recurrent droughts, the illegal sanctions imposed on our country by some powerful countries and the HIV/AIDS pandemic continue to slow down economic growth in the country. Despite those challenges, the Government has continued to implement turnaround strategies aimed at steering the economy towards sustained economic growth and development.

It is now widely accepted that, without a complementary international effort to finance development in developing countries, the objective of achieving the internationally agreed development goals, including the MDGs, will remain elusive. It was that realization that led Governments and multilateral trade and financial institutions, under the aegis of the United Nations, to commit themselves at Monterrey in 2002 to provide more resources to finance development. The 2005 World Summit reaffirmed the need to take

concrete action to accelerate development. The immediate objective of the commitments made there was to reduce poverty, particularly extreme poverty.

Monterrey was able to make the correct diagnosis and identify the constraints that developing countries face in their efforts to eradicate poverty through economic and social development. Five years after Monterrey, the remedies that the international community agreed to undertake have not been fully implemented, thereby preventing the achievement of targets that were set.

It is now apparent that the current official development assistance (ODA) levels fall short of requirements for meeting the targets associated with the Millennium Development Goals (MDGs) and internationally agreed development goals. In this regard, developed countries need to fulfil their promises to meet the target of providing 0.7 per cent of their gross national income as official development assistance to developing countries in the short term. Such assistance needs to be adequate, predictable and continuous in order to have a meaningful impact. In the long term, new and additional resources are required to enable developing countries to continue to fight poverty beyond the MDG target date of 2015.

While we commend those countries that have met and even surpassed the target of 0.7 per cent of their gross national income, we urge those that have not yet done so to continue scaling up aid in order to reach the required level. On the other hand, it is important to analyze the volume of aid and its effectiveness on the ground. Aid earmarked for specific programmes, most of which are not developmental in nature, very often fails to have the desired impact.

Concerted efforts must also be directed towards addressing the problem of the unsustainable external debt faced by a number of developing countries. While we recognize the various initiatives that have been undertaken to reduce the debt burden of a number of developing countries, including the Multilateral Debt Relief Initiative, we are, however, of the view that the process is slow and does not cover all countries. We are also of the view that the real solution to the developing countries debt problem would be full debt cancellation. Additionally, the inclusion of debt relief in aid statistics can be very misleading. The simple fact is that debt relief does not make new resources available for development.

Since development is a process and not an event, we believe that more attention should be paid to addressing the disparities in the global trade regime so as to remove trade barriers. If we act now to remove trade barriers, agricultural subsidies and restrictive rules on intellectual property rights, we will be laying a solid foundation for sustainable development that can lead to the eradication of poverty, particularly the extreme poverty that engulfs millions of people.

The reform of international financial institutions to make them more democratic by allowing developing countries a greater voice and participation in decision-making processes is an issue that remains unresolved. The level of participation of developing countries in decision-making within these institutions does not reflect the numerical strength and influence of developing countries in the global system. It is regrettable that the repeated calls to reform these institutions, including addressing the issue of distribution of voting rights at the International Monetary Fund (IMF), continues to fall on deaf ears.

Zimbabwe is of the view that all aid to developing countries should be unconditional and tailor-made to support the development priorities of the recipient country. In addition, Zimbabwe rejects the use of coercive economic measures as a tool to ensure political compliance with the whims of those countries that perceive themselves to be powerful. Such malicious actions undermine development cooperation and should not be entertained by the international community as it works to increase development and reverse poverty.

Zimbabwe would like to express its confidence in the ability of the United Nations system to coordinate and lead the development efforts of the international community, including through its agencies, funds and programmes. However, these operational activities for development of the United Nations system must earn the confidence of all by maintaining their neutrality and supporting the development policies, priorities, and strategies of Member States. They must also resist the temptation to further donors' ulterior motives in developing countries.

Let me conclude by reiterating that together we have agreed that mobilizing financial resources for development is central to a successful global partnership for development. This High-level Dialogue would therefore be of great value, if it were to infuse

urgency to the fulfilment of commitments on financing for development made at Monterrey and the 2005 World Summit, including the establishment of effective mechanisms to measure aid inflows. We must therefore muster the necessary political will to tackle head on the obstacles encountered since Monterrey, with a view to completely removing them, in order to guarantee the success of the follow-up conference to be held in Doha, Qatar next year.

The President: I now give the floor to His Excellency, Mr. Igor Lukšić, Minister of Finance of Montenegro.

Mr. Lukšić (Montenegro): It is my particular pleasure to address this High-level Dialogue on Financing for Development at this important moment for the follow-up to the implementation of the Monterrey Consensus and ahead of the Doha conference in 2008. At the outset, I would like to point out that Montenegro has fully aligned itself with the statement made by the representative of Portugal on behalf of the European Union presidency. Therefore, I will take the opportunity to make a statement in my national capacity by emphasizing a few issues that are of particular importance for Montenegro.

The overall advancement toward the achievement of the internationally agreed Millennium Development Goals in Montenegro has been very positive as it evolves alongside the European Union integration processes. Montenegro signed the Stabilization and Association Agreement on 15 October 2007, thus opening a new chapter not only with regard to the political, but also the economic, market, and fiscal areas of development. This framework will enable us to promote sustainable development and carry out poverty reduction strategies.

In recent years, Montenegro has achieved macroeconomic stability, and the prospect of growth remains strong. Real gross national income growth for the past three years is expected to be an average of seven per cent. Inflation is low at between two and three per cent. There has been a budgetary surplus in the past two years of about four per cent, and the level of public debt is moderate at 35 per cent. We have championed the foreign direct investment (FDI) inflows in our region in the past two years. FDI is an important vehicle for the transfer of knowledge, skills and technology, and for the reduction of poverty, as noted in the Secretary-General's report. Montenegro has recognized that the challenge for developing countries is to increase trade and attract FDI in a way that will maximize its contribution to long-term development and has carried out a comprehensive set of activities to ensure the sustainability of economic growth.

As stated in the World Summit Outcome document, our development is our responsibility. Creating a friendly business environment for domestic and international investments is of utmost importance. A stable macroeconomic environment, market-friendly frameworks, availability of human resources, and a measure of predictability are recognized as crucial to the effective implementation of my country's development strategies as well as for fostering public-private partnerships, improved transparency, and accountability. Montenegro recognizes that it has the primary responsibility to develop adequate administrative capacities, to design and implement development strategies and to set priorities and timelines for their implementation.

Being a small Mediterranean country in the last stage of transition, we understand that infrastructural bottlenecks pose the greatest challenge to stimulating growth and development. Investors know how to allocate resources, but it is up to the Government to commit energy to motivate their decisions on the basis of a solid infrastructure.

I would like to take this opportunity to stress the particular relevance of international financial institutions and their technical support. As a small middle-income country, Montenegro maintains good relations with our international financial institution partners. We therefore welcome the latest decision of the World Bank to cut interest rates. At the same time, we call for the allocation of the net income of international financial institutions be directed towards more technical support for countries, in order to transfer know-how, and address social inequality and global climate change and to help them to prepare infrastructure projects.

To that end, Montenegro commends activities that foster international financial and technical cooperation. We also welcome ongoing efforts at the global level to reach the target of 0.7 per cent of gross national income for official development assistance (ODA) by 2015 and to improve the quality, predictability and effectiveness of ODA.

I believe deeply that this important momentum towards global development will not be lost and that several different initiatives will foster the implementation of the Millennium Development Goals and other internationally agreed development goals. Montenegro also supports an outcome document in the style of a ministerial declaration that would focus on the further implementation of the Monterrey Consensus.

The President: I now give the floor to His Excellency Mr. Tijjani Yahaya Kaura, Minister of State for Foreign Affairs of Nigeria.

Mr. Kaura (Nigeria): Let me start, Sir, by joining other speakers in commending your laudable initiative to convene this very important High-level Dialogue on Financing for Development.

While my delegation associates itself fully with the statement made this morning by the Minister of State for Economic Affairs of Pakistan on behalf of the Group of 77 and China, I wish to reflect on some issues from Nigeria's national perspective.

The most pressing preoccupation of the world community today is how to assist developing countries to achieve internationally agreed development goals, including the Millennium Development Goals (MDGs), in a sustainable and environmentally friendly manner. This High-level Dialogue on Financing for Development is therefore inevitably anchored on that premise.

We thank the Secretary-General for his comprehensive report (A/62/217) and the useful recommendations contained therein. We are worried about the disturbing trend referred to in the report, namely, that in spite of the general improvement in the world economy there are widespread concerns that the fruits of development and growth are not fairly distributed and that, even more disturbing, there seems to be a growing trend towards a higher concentration of income and wealth in a few countries.

This is a wake-up call for the international community to assist developing countries to take appropriate measures to diversify their economies and mobilize domestic, external and other forms of financing to ensure sustainable growth and development. However, the efforts of developing countries will yield the desired results only if they are backed by a massive infusion of foreign direct investment, fair and equitable trade, access to the markets of industrialized countries, decreased subsidies for agriculture by industrialized countries, debt relief and sustainability and improved official development assistance (ODA) — all of which must be tailored to the development aspirations of recipient countries.

In spite of the daunting challenges facing developing countries, Nigeria's economic reforms, as encapsulated in both its first and second national economic empowerment and development strategies, have recorded modest progress in kick-starting the economy and addressing many of its structural defects. In that respect, our strong macroeconomic performance has continued to attract commendation from our development partners, with some analysts even projecting that if the trend continues Nigeria could join the 20 largest world economies by the year 2020. The Government is therefore determined to achieve that.

The statistics are quite encouraging. For instance, from 2002 to 2006 annual gross domestic product (GDP) grew at an average of 6 per cent, with inflation steadily declining to single-digit levels, and external reserves steadily increased to the current level of $47 billion. Furthermore, foreign direct investment flows into the country increased steadily, from about $1 billion in 1999 to about $4.5 billion in 2006.

Interestingly, however, that growth has been driven not just by the oil sector but also, to a lesser extent, by the non-oil sectors of agriculture, manufacturing, telecommunications, banking and finance and wholesale and retail trade. To further diversify the economy, the Government is planning to embark on massive investment in petrochemical plants and the development of enterprise centres and industrial clusters around the country. Nigeria has also succeeded in drastically reducing its external debt, from about $35.9 billion in 2005 to about $3,348,000,000 early this year. In fact, the Government took a deliberate decision to dedicate all proceeds from the Paris Club debt deal to scale up pro-poor programmes and projects.

In spite of those appreciable strides, for Nigeria to consolidate and build a solid economic base it will have to confront and surmount its acute infrastructural deficiencies — especially in the areas of power, water, railways and roads — which are threatening our sustained drive towards economic growth and industrialization. The Government has therefore

embarked upon extensive sectoral reforms of its infrastructure and the establishment of legal, regulatory and administrative frameworks conducive to foreign investment. We would welcome massive foreign investment to fund infrastructure development. It is estimated that Nigeria will require between $6 billion and $9 billion annually to fix the facilities it needs to maintain sustained economic growth.

In order to mobilize domestic resources for development, the Government has perfected an effective public-private partnership in line with the assertion contained in the report of the Secretary-General that a robust domestic private sector that is itself investing in its economy will provide a powerful signal to attract productive private investment inflows.

We also believe that for economic growth to be meaningful and sustainable, it has to improve the living conditions of the people.

The Monterrey Consensus emphasized the linkage between trade, development and finance. Most developing countries, including African countries, therefore, view greater access to the markets of developed countries and institutional capacity building to ensure that as the best way to ensure sustainable economic growth that is development-oriented rather than dependant upon aid.

Nevertheless, in order to better attune ODA to Nigeria's development strategies, the Government has developed an official development assistance policy to avoid a situation where a substantial part of a grant is used to pay experts from donor countries.

On the road to Doha, we view the World Trade Organization negotiating areas of agriculture, non-agricultural market access and services as very important. Hence, we are prepared to engage in the ongoing negotiations in a manner that will produce the greatest possible benefits for developing countries.

Finally, we note with deep concern that, while the developing countries are striving, against all odds, to implement their part of the commitments by devising national development strategies, improving governance and creating a macroeconomic climate conducive to growth, trade and investment, our development partners have yet to fulfil all their commitments related to development assistance and financing, trade, technology transfer and other areas of cooperation.

My delegation therefore believes that the time is ripe for the international community to take concerted and time-bound action to ensure the implementation of all the commitments made by our development partners. We hope that the current institutional reforms in the Bretton Woods institutions will go far enough to ensure greater voting rights and representation for developing countries, particularly African countries, in the World Bank and the International Monetary Fund.

The President: I now give the floor to Her Excellency Ms. Sangaré Maimouna Bah, Minister of Health of Guinea.

Ms. Bah (Guinea) (*spoke in French*): Permit me to tell you, Mr. President, how happy we are to see you leading our work. I should also like to congratulate the Secretary-General and the Secretariat on the quality of the documents submitted and on the clarity with which the issues before us are being considered. My delegation fully agrees with the assessments made and the action proposals put forward.

The Republic of Guinea, which is classified among the least developed countries and which faces drastic economic reforms, remains largely dependent on foreign aid for the financing of its development. Sometimes, up to 80 per cent of our public investment is financed by such aid. We are thus very interested in innovative financing methods and aid effectiveness as areas for greater mobilization and rational use of development assistance resources.

To that end, after joining the International Drug Purchase Facility, the Guinean Government plans to do the following. At Conakry in the first quarter of 2008, we will hold a national forum on innovative financing mechanisms and non-governmental cooperation, at which national and external actors can share experiences and coordinate activities. At Conakry, we will also host the fifth plenary meeting of the Pilot Group on Solidarity Contributions for Development. After that, at the Doha Conference planned for December 2008, Guinea will present a common platform, on behalf of the Pilot Group and Africa, on innovative ways to finance official development assistance. With a view to carrying out those activities, the Government requests support from its development partners.

From this rostrum, the Government of the Republic of Guinea would like to reaffirm its support for the objectives of innovative financing and for the

implementation mechanisms recommended by the Pilot Group. My delegation welcomes the consensus reached in Seoul at the Pilot Group's third meeting, held on 3 and 4 September 2007. It grants Africa the privilege of holding two successive Pilot Group meetings, to be held at Dakar in March 2008 and at Conakry in October 2008. The Republic of Guinea will collaborate with the Senegalese presidency, the members of the Pilot Group, international organizations, civil society, the diasporas and the business community in preparing for the participation of the Pilot Group and Africa in the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, scheduled for December 2008, six years after the adoption of the Consensus. The Conference will mark a decisive turning point in the international community's commitment to ensuring the financing necessary for the achievement of the Millennium Development Goals by 2015.

My country urges Member States to join the Pilot Group and to participate in those activities. I also take this opportunity to pay a warm tribute to the Group for the dynamism and effectiveness that it has displayed since its establishment.

For the Republic of Guinea, development financing and aid effectiveness mean the following: cancel the debt of the poorest countries; mobilize significant financial and technical resources in the form of subsidies and concessionary loans to build physical infrastructure, provide sufficient support to growth sectors, strengthen institutions and promote human resources; develop complementarity in the subregional environment and promote regional economic integration, while fostering the ideals of peace, security and stability, which are prerequisites for development; create new forms of partnership, better suited to the options of liberalization between public and private actors, bringing together communities, civil society and non-governmental organizations; combat corruption and improve good-governance practices; and establish a fruitful long-term dialogue between Guinea and its development partners.

Finally, my delegation reaffirms its full support for, and its entire willingness to cooperate in, the process now under way. We are convinced that that support is justified by what is at stake. Development financing should be made universal, given the immense possibilities that it offers to the international community.

The President: I now give the floor to Her Excellency Mrs. Patricia Orantes, Planning and Programming Secretary of the Presidency, Guatemala.

Mrs. Orantes (Guatemala) (*spoke in Spanish*): Guatemala is grateful for the convening of this High-level Dialogue, which is an essential mechanism for following up on the Monterrey Consensus and preparing for the intergovernmental Conference to be held at Doha. We reaffirm our commitment to making the best use of the most cost-effective mechanisms for following up on the Consensus, including the Annual Ministerial Review and the Development Cooperation Forum, recently established within the Economic and Social Council.

My delegation associates itself with the statements made on behalf of the Group of 77 and China, the Rio Group and the Pilot Group on Solidarity Contributions for Development. We would like to make a few additional comments from a national perspective.

We wish to take this opportunity to emphasize that Guatemala considers the Monterrey Conference to have been among the most successful gatherings in United Nations history in the area of development for all. It raised awareness throughout the world about the critical role of international cooperation as a complement to national efforts, and that has had an impact. Thanks to the Monterrey Conference, the trends in areas such as official development assistance, debt relief and access to private capital markets have been reversed. Monterrey also led to better coordination between the United Nations and the Bretton Woods institutions, which we welcome. The great unresolved task, as we are aware, is the Doha Round.

We also wish to reaffirm that Guatemala attaches importance to the participation of civil society and the private sector in the regular follow-up to the Conference carried out at the hearings held with representatives of those groups on 11 and 22 October. Those mechanisms, if well-managed, have the potential to strengthen the legitimacy and effectiveness of this kind of dialogue.

Guatemala has entered its second decade following the signing of the Peace Agreements. The period has been characterized by a strengthening of the

executive branch's leadership in aligning international cooperation with public policies, guided by the principles of shared responsibilities and mutual accountability. We have also seen an improvement in mutual confidence based on transparency and the achievement of results through successful national mechanisms such as the External Cooperation Cabinet and the group for dialogue between the Government and the international community. The time for disorganized international cooperation and unilateral conditionality's is behind us.

Allow me, on behalf of the Guatemalan people and its Government, to express our thanks for the central role played by foreign assistance, both political and financial, in bringing about peace and enabling the implementation of the commitments made by the State, through the mobilization of approximately $3.4 billion over the past decade.

Today our Peace Agreements have become a legacy promoting South-South cooperation among developing countries. They have without question constituted a turning point in our mobilization of internal and external financial resources. Work is still pending on a fiscal pact on important areas such as equity in the distribution of the tax burden. Today Guatemala is the Central American country that allocates the highest percentage of its budget to social investments, and, in a period of 11 years, has doubled the percentage of its gross domestic product destined to social policies.

That national effort means that today we can expect to achieve the majority, if not all, of the Millennium Development Goals. That will be possible if, and only if, we permanently strengthen and maintain continuity in our policies, our democratic institutions, democratic security in the Central American region and the growing presence of Central American countries, through their voice and vote, in international decisions that affect us.

The strengthening of the Government's leading role vis-à-vis international cooperation and other actors, the development of State policies and the slow but sustained development of our democratic institutions have made it possible to solidify our macroeconomic indicators and attain higher rates of growth in competitiveness and country-risk indicators and in foreign direct investment. As a result, we have achieved our highest rates of economic growth and exports in 20 years.

Nevertheless, Guatemala now faces the challenge of translating those successful midterm indicators into better distribution patterns and into an aggressive and sustained reduction of poverty, inequality and social marginalization. At the same time, those achievements reflect the importance for middle-income countries of setting clear national rules, in order to advance substantively towards our goals.

In that context, international trade has a central role to play for countries like Guatemala, linking the most dynamic global markets to the increased competitiveness of our export products, particularly products from rural economies. In the case of Guatemala, that includes the majority of our population, which is indigenous and has historically been marginalized.

The complexity of the international negotiations carried out within the context of the World Trade Organization, in which the interests of developed countries have been advanced and the crucial interests of developing countries have not, have led us to intensify negotiations on free trade agreements, bilaterally and with groups of like-minded countries. That has yielded mixed results for developing countries, pitting the rules of the multilateral World Trade Organization system against the preferential system of free-trade agreements and creating a complex web of agreements, each with its own administrative machinery, which overwhelms the capacities of our countries to negotiate and implement agreements.

The entry into force of innovative mechanisms for international cooperation also has a central role in advancing the ongoing development agendas of countries like Guatemala. In that regard, we wish to highlight and express our thanks for the leadership and the vision of the United Nations system, through the Economic and Social Council, and of the Government of Spain, whose strategic alliance has allowed us to frame the question of the so-called middle-income countries in relation to international cooperation. This new space and agenda for international dialogue strengthens us on the political level and allows us to re-energize the international debate on financing for development.

During the preparatory process leading to the Monterrey Conference, Guatemala participated actively and in a constructive manner as a member of the bureau of the Preparatory Committee. On our way to Doha, we wish to contribute once again, and on this occasion we offer Guatemala as the host of the regional consultations that will contribute the vision of the Group of Latin American and Caribbean States to the 2008 Doha Conference.

The President: I now give the floor to His Excellency Mr. Samuel R. Insanally, Minister for Foreign Affairs of Guyana and former President of the General Assembly.

Mr. Insanally (Guyana): Coming as it does in the immediate aftermath of the International Monetary Fund and World Bank meeting in Washington, D.C., this High-level Dialogue on Financing for Development offers us another welcome opportunity to revisit the Monterrey Consensus and to see how it has been implemented thus far and what more needs to be done to ensure further progress.

Certainly, Monterrey was an important milestone in the search for greater and more predictable financing to satisfy the needs of global development. However, from all indications, the record of accomplishments since Monterrey is a mixed one. Recent reports point to some improvement in per capita income in various parts of the world. However, the apparently growing trend towards a higher concentration of income and wealth may yet signal increasing global inequalities and the further marginalization of the poor.

Given these challenges, the continued failure of donor countries to honour the commitments they made at Monterrey and other major United Nations conferences and summits, as well as in the Paris Declaration on Aid Effectiveness, risks jeopardizing the international development agenda. It is imperative that the recent reduction in official development assistance (ODA) be reversed and that levels be raised urgently to meet the established, internationally agreed target of 0.7 per cent of gross national income. ODA flows also need be directed to key priority areas that will optimize their development impact.

One such area is the promotion of investment in agriculture and rural development. Such investment is critical to ensure food security, especially in this new age of biofuel production. Without it, global efforts to reduce poverty and hunger by 2015 will be severely undermined.

Guyana welcomes the recently published *World Development Report 2008*, which calls attention to the importance of agriculture in the achievement of the Millennium Development Goals (MDGs) and the promotion of sustainable development. As the report observes, while 75 per cent of the world's poor live in rural areas in developing countries, a mere 4 per cent of official development assistance (ODA) goes to agriculture. It further notes that growth in gross domestic product (GDP) originating in agriculture is about four times more effective in raising the incomes of extremely poor people than GDP growth originating outside the sector. A key goal of future efforts in financing for development should therefore be to increase the levels of investment in the promotion of agricultural development and food security.

Earlier this month, Guyana was honoured to host the Commonwealth Finance Ministers Meeting. From discussions at the Meeting emerged the recognition that the effects of global warming and climate change have serious negative implications for the growth and development of small States and for other environmentally vulnerable developing economies. From this rostrum, I reiterate the call made by Commonwealth finance ministers for global efforts to mobilize financial resources to support those countries through common frameworks.

To ensure sustainable development, increased resource flows must go hand in hand with greater coherence in global economic, trade and environment policies. The effects of the lack of coherence are all too evident for small countries such as my own, and others in the Caribbean that have recently witnessed the precipitous dismantlement of preferential sugar and trade regimes without adequate transitional arrangements. Significant new and additional resources will be needed to modernize our productive sectors so that our countries can compete in the global economy.

As we look forward to next year's Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, which is to be held in Doha, we are reminded that the development promise of the Doha Round of trade negotiations has yet to be fulfilled. This new road to Doha offers us all another chance to ensure that mechanisms are put in place to

deliver on the pledge to place development at the centre of the international trade agenda. The special challenges of small States must be fully addressed within that framework.

Let me end by recalling a most important question that, as I recall, was posed at Monterrey. That question is, How do we ensure that the commitments made by our development partners are effectively honoured? The question, I believe, remains as relevant today as it was then; for, as experience has shown, many in the international community are very long on promises but short on delivery. The lesson we must learn is that, in as much as recipient countries are subject to conditionality's for financing, so too must donor countries be accountable for the fulfilment of promises made. It is time that a monitoring mechanism be introduced to assess the implementation of the Monterrey Consensus and to ensure that it is kept firmly on track. We simply cannot afford to let the Consensus wither and die.

The President: I now give the floor to Her Excellency Ms. Maguy Durcé, Minister of Trade and Industry of Haiti.

Ms. Durcé (Haiti) (*spoke in French*): On behalf of the Government and the people of Haiti, the delegation that I have the honour to head in my capacity as Minister of Trade and Industry would like very warmly to congratulate you, Mr. President, on having convened this international High-level Dialogue on Financing for Development. I would also very sincerely like to thank the Secretary-General for his report (A/62/217). The information contained in the report will guide and inspire our upcoming deliberations as we seek to identify ways that will hopefully allow us to permanently reverse the current unfavourable trend between now and the Doha meeting and beyond.

This High-level Dialogue is taking place at a very opportune time. I am certain that the relevant discussions and exchanges that will take place here will lead us towards appropriate avenues to evaluate financing for development when we review the implementation of the Monterrey Consensus at Doha, Qatar, in 2008.

In that regard, Haiti associates itself with the statement made this morning by the representative of Pakistan on behalf of the Group of 77 and China.

The Republic of Haiti is more committed than ever to the process under way aimed at achieving the Millennium Development Goals (MDGs), which were agreed by world leaders in 2000. Nevertheless, as a least developed country, our people suffer terribly from the current competitive economic environment. Likewise, major current international imbalances exclude our countries from the opportunities produced by globalization, foreclosing any possibility of short-term prosperity.

We would like to affirm that any effort to increase productivity also requires active solidarity conducive to security and social harmony in the most vulnerable countries. In order to achieve that, it is necessary to identify an appropriate formula than can reduce the inequalities resulting from a low level of individual development in communities mired by all sorts of hardships. That is an essential step to launching a comprehensive approach to economic and business relations through the adoption of innovative partnership agreements.

The presence and full participation at this meeting of high-level representatives from the international financial institutions makes this gathering the ideal framework to consider the steps so eagerly awaited by all the citizens of the world, whom we all have a responsibility to protect and serve through public policies that generate hopes for sustainable development guided by an approach which allows for increasingly greater access to basic goods and social services, so as to preserve the dignity of men and women without distinction or discrimination.

I therefore heartily appeal to the Bretton Woods institutions and, more generally, to all our development partners to give all due attention to the report of the Secretary-General, which evaluates the shortcomings with regard to the commitments undertaken in the Monterrey Consensus. The report notes the difference that exists among the members of the Development Assistance Committee when it comes to the pledge to increase assistance made at Monterrey in 2000. Although some have honoured their commitments, others have not. The result is that official development assistance (ODA) dropped by 5.1 per cent in 2006. The commitment to devote 0.7 per cent of gross national income (GNI) to ODA that Committee members agreed to — with 0.2 per cent of that going to least developed countries — is far from being achieved. All of these

efforts and all of our energies have to be oriented towards the mobilization of all possible sources of financing in order to rise to the sustainable development challenge in the twenty-first century, for our own benefit and for emerging and future generations.

My delegation extends its firm support for the Declaration on innovative sources of financing for development, which was issued by the Pilot Group on Solidarity Contributions for Development, for which France has the permanent secretariat and which is chaired by Senegal. My country also welcomes the other sponsors of the initiative, Brazil and Norway, in particular, to mention only those two.

Despite our uncomfortable situation of being the only least developed country in the region of the Americas and the Caribbean, the Republic of Haiti nonetheless managed to attain macroeconomic stabilization. The low level of national savings has not enabled our population to understand, much less to appreciate, this remarkable effort undertaken by the Haitian Government, which is today fighting resolutely against corruption and illicit trafficking in drugs. This is an expression of the political will displayed by President René Préval and Prime Minister Jacques Édouard Alexis at the head of the Government of Openness currently in place, in which I have the honour of being a part, as a representative of a political coalition that was in competition with the President in the last elections. That said, it is nevertheless true that the current political will and administrative rigour ensure a calm socio-political climate that is favourable to stability.

It is also clear that the country, relying only on its own resources, will find it very difficult to generate growth and to eradicate poverty. The trade and industry sector in the new fiscal year 2007-2008 has decided to intensify the promotion of micro-units for production and service, which are supported by financial credits extended to them on a priority basis, producing both for domestic consumption and for export sale. This strategy was selected in response to political and institutional trends, at both the national and regional levels, with regard to the expansion of small units of production. The final result expected is the broadening of the tax base. In addition, the Government has started rehabilitating the road system, and a centre for facilitating investment has been established. The investment code has been revised in order to attract direct investment. Public-private partnership has been institutionalized. All of this shows that Haiti is on the right track towards its goal of economic development.

We think that international trade can be the driving force for sustainable development. We therefore expect that the multilateral negotiations of the Doha Round and trade assistance activities will provide a real regime where our products will have access to external markets, free of tariffs and lead to the elimination of certain barriers and trade practices that are detrimental to trade. Today, assigning blame or denouncing practices are not the best method. Rich and poor, we all have the responsibility to create the conditions for the betterment of all in peace and security. We want to do this, we have to do this, and I hope that we will be able to do this.

The President: I now give the floor to His Excellency The Honourable Zhivargo Laing, Minister of State for Finance of the Bahamas.

Mr. Laing (Bahamas): I extend warm greetings to this Assembly from the Government and the people of the Commonwealth of the Bahamas. I commend the United Nations for convening this important meeting, representing another follow-up to the original meeting that gave rise to the consensus agreed by heads of State and Government in Monterrey, Mexico in 2002.

The Bahamas welcomes the opportunity to participate in this year's High-level Dialogue. It is our hope that this meeting will allow us to move beyond dialogue with its follow-up reports and papers and meetings to actually realize the results of the six leading policy actions adopted by the heads of State at that first meeting in Monterrey. Stated plainly, it is our hope that we actually, first, mobilize domestic financial resources for development; secondly, mobilize international resources for development; thirdly, achieve development by using international trade as an engine; fourthly, increase international and technical co-operation for development; fifthly, deal with the external debt plight of developing countries; and, sixthly, address systemic issues, enhancing coherence and consistency of the international monetary, financial and trading systems to support development.

If we do these things, the meeting to be held in Doha in the second half of 2008 will take on new meaning, real meaning. If the deliberations here and during next year's Special High-level meeting of the Economic and Social Council produce real progress,

we will enable our heads of State at the review conference to take critical decisions leading to genuine progress in addressing the international economic and financial systemic imbalances that now plague our world.

I must note that of the six policy actions highlighted at Monterrey, all of which are important, the Bahamas identifies most closely with three of them: first, mobilizing domestic financial resources; secondly, mobilizing international resources, especially foreign direct investment; and, thirdly, increasing international and technical cooperation for development.

The experience of the Bahamas is replete with the rewards of focusing on these three elements. While we do not have wealth-producing natural resources, such as oil, carbon, gold or diamonds, we do have our people. By using domestic finances to invest in the education, health and socialization of our people, we have been able to establish a comparative advantage in a number of international service sectors.

Similarly, by laying a solid foundation for the rule of law with its attendant protection of private property rights combined with sound macroeconomic policies and a commitment to democratic ideals that foster an enduring political stability, we have been able to mobilize billions of dollars in inward foreign direct investment that has catalyzed our nation's growth and development for more than half a century.

It is our firm belief that developing countries like ours must continuously focus on these fundamentals in pursuit of their further development. Indeed, we further believe that increased international and technical cooperation by the international development institutions in pursuit of mobilizing domestic financial and international resources is the most critical need that exists for developing countries already enjoying some gains owing to the sustained expansion in the global economy and most especially for those that have not been so fortunate.

Over the past fifteen years, we have witnessed a restoration and expansion of the Bahamian economy made possible by national investments in our economic and social infrastructure, the improvement of strategic policy frameworks and national accounting systems, and the bolstering of our legislative framework in the fight against corruption, money laundering and terrorism. Over the next five years, the Government of the Bahamas intends to continue on this path by introducing sound policies to increase employment, entrepreneurship and local ownership in the economy; creating balanced economic growth across the archipelago; increasing investments in our social infrastructure, and safeguarding our environment and heritage for future and present generations.

The Bahamas has also embraced the opportunities presented by globalization by seeking to participate in the international economic, financial and trading systems in our efforts to achieve sustainable development. However, we continue to face daunting challenges posed by our small size and its attendant vulnerabilities.

Furthermore, our attempts to build resilience are constrained at times by global governance and systemic imbalances, which frustrate meaningful integration into the global economy. In this regard, the Bahamas reiterates the need for further consideration of these issues for all developing countries within the framework of the Monterrey process.

Mr. Hannesson (Iceland), Vice-President, took the Chair

The issue of reform of global economic governance to strengthen the voice and participation of developing countries in international economic decision-making and norm-setting is of critical importance to the Bahamas. There is a definite need for more concrete, realistic steps to ensure the effective, permanent representation of developing countries, particularly small developing countries, in international economic, trade and financial institutions.

I have only just recently attended the Commonwealth Ministers of Finance and International Monetary Fund (IMF)-World Bank meetings. I am pleased to note that in each of these forums there is consensus on the need to move in this direction. The Bahamas acknowledges the ongoing efforts to introduce balance and equilibrium into the processes that govern several international institutions. We welcome the 2006 resolution adopted by the IMF Board of Governors on Quota and Voice Reform, as well as the launching of the World Bank's process on governance reform, and look forward to continued work in that regard.

Ultimately, we seek to elevate the plight of the peoples of our world. We want to create an

environment in which children in every village and hamlet, county and city can realize his or her potential. For that to happen, resources, domestic and international, must be mobilized and properly managed in pursuit of sound development. Far too many of our countries struggle to achieve this, whether for historic reasons or because of the exigencies of prevailing circumstances. This much we in the Bahamas believe is true: there exist national and international resources to change the situation. It seems now more than ever before that sufficient international resolve exists to make this possible.

It is for these reasons that the Bahamas values the Monterrey process and the mandate to address systemic issues such as these. In this context and in the absence of a formal governance structure, we urge a greater role for the United Nations in these aspects of global standard setting and assessment. The case of the small developing country must be addressed in the context of a process that is fair, equitable, objective, open and inclusive. This can only be realized in a forum where the rules of international law are observed, and we look forward to continued dialogue in this regard.

The Acting President: I now give the floor to Her Excellency Mrs. Cristina Duarte, Minister of Finance and Public Administration of Cape Verde.

Mrs. Duarte (Cape Verde): Cape Verde highly appreciates this opportunity to take part in this High-level Dialogue that marks a turning point towards the diminishing time frame for the achievement of the Millennium Development Goals (MDGs). I believe that all of us here are convinced that to achieve the MDGs, the donor community must honour and even go beyond its commitments on trade and debt relief and increase its official development assistance (ODA).

Despite improvements in the world economy, with developing countries generally registering growth in their per capita gross domestic products, improving their macroeconomic management and contributing to the decline of inflation and government deficits, their inefficient financial sectors, coupled with insufficient international support, remain as core challenges towards a strong base of sustainable development.

Despite the trend towards increasing ODA since the adoption of the Monterrey Consensus, the level of ODA declined last year. Moreover, the disproportionate distribution of ODA, which unfairly concentrates on particular regions or countries, raises our concern over the resultant unfair distribution of the fruits of development and growth. This therefore undermines the achievement of the MDGs by some regions.

In Cape Verde, despite its being a small, insular State lacking natural resources, we firmly believe that good governance, better macroeconomic policy and fiscal management, increased transparency and accountability of the public sector are fundamental for emerging from poverty and achieving sustainable development, together with fair international trade and financial systems and the firm good will of international stakeholders with respect to their agreed commitments.

Cape Verde is working vigorously to respond to national development needs in a more confident and innovative manner. Since our independence in 1975, we have initiated a campaign against hunger and poverty and integrated it into our strategic plan for development. The challenge, indeed, lies in the ability to ensure adequate and predictable resources to support economic, social and environmental projects, as well as the ability to invest in infrastructures for sustainable development.

As a candidate for graduation from the list of least developed countries, Cape Verde, now more than ever, needs both quantitative and qualitative development assistance support from the donor community in order to succeed with its development.

We commend donor countries for all their commitments and efforts to double their aid assistance and technical capacity-building support to developing countries, in particular those that have already met the official target of 0.7 per cent. We call on those that have not yet fulfilled their commitments to do so.

The positive initiative in the area of debt relief and cancellation that allows developing countries, in particular the heavily indebted poor countries, to divert more of their scarce resources for development purposes should be extended to middle-income countries in need. The Intergovernmental Conference on Middle-Income Countries, held in Madrid in March 2007, and the follow-up meeting held in El Salvador in October 2007 called on the international community to support these countries in their efforts.

The Government of Cape Verde is responsible for its own development process, for which we have undertaken profound reform in major areas of governance such as the judicial, economic and

financial sectors. Accordingly, as a key priority, we have set up an economic environment capable of attracting foreign direct investment. However, it is essential that we supplement that with technical assistance and innovative public and private partnerships in order to strengthen access to financing for small- and medium-sized enterprises.

The focus on good governance, secured by the principles of accountability and transparency, is the pillar of the Cape Verdean Government's approach to achieving the Millennium Development Goals (MDGs). To this end, the Government has undertaken the arduous process of reform in different sectors, both public and private, which has anchored growth reaching 10.8 per cent in 2006 and an average of 7 per cent from 2004 to 2007, in line with the level of growth established in the Poverty Reduction Strategy, to contribute to the achievement of the MDGs.

The contribution of this growth to the reduction of poverty is illustrated in the latest Basic Indicator of the Well-Being of Cape Verdean Society. Allow me to provide the Assembly with some figures. The literacy rate in my country has reached 79 per cent. Access to health services in less than 30 minutes has reached 74 per cent. Access to elementary education — a school at less than 15 minutes from dwellings — has reached 70 per cent.

The consequences of this relatively good performance cannot be harmful to Cape Verde; the donor community must remain engaged in the Cape Verdean quest for development and reduction of poverty. Much vulnerability still persists. The graduation of Cape Verde from the Group of Least Developed Countries must not be taken as an indication that Cape Verde does not need the support of its multilateral and bilateral partners, because that could lead to the undoing of all the results that have been achieved.

Moreover, lacking the capacity to build trade, developing countries, especially the least developed countries, should make their trade commitments carefully, according to their level of development and their need to retain the ability to implement the development policy that is most appropriate and most desirable. In addition, developed countries should support access by handicapped developing countries to world markets in this ever more globalized environment. It is important to eliminate export subsidies, which would lead to substantial reduction in trade-distorting measures, and aid for trade should be an essential complement to trade liberalization so that international competitiveness may be attained.

It is imperative to reform the architecture of the international financial system, in which the voice of the least heard and most in need is not given due consideration. Developing countries should be included in decision-making processes, and it is critical to ensure that standards and codes are mutually consistent, while being flexible enough to be effectively applied in both advanced and less advanced financial systems.

To sum up, only collective efforts and responses could better resolve our common problem and challenge — the eradication of hunger, poverty, diseases and the effects of climate change. Only a strong global partnership and cooperation at all levels could bring the achievement of the MDGs to the fruition to which we all are committed. We look forward to both the Doha Conference on Financing for Development to be held in Qatar, and to the third High-level Forum on Aid Effectiveness, to be held at Accra in 2008, which will provide us with an opportunity for making further progress.

I thank the Secretary-General for the comprehensive reports submitted under this agenda item and the President for gathering us in such an important dialogue.

The Acting President: I now give the floor to His Excellency Senator Edgardo Angara of the Philippines.

Mr. Angara (Philippines): On behalf of the Government of the Philippines, we welcome this important conference in preparation for the review of the Monterrey Consensus next year.

The Philippines fully associates itself with the statement made by Pakistan on behalf of the Group of 77 and China.

We commend the Secretary-General's report on the implementation of the Monterrey Consensus (A/62/217), its urgent call for donor countries to meet their aid commitments and its emphasis on domestic resource mobilization and South-South cooperation.

As the Secretary-General's report highlights, while there has been an increase in official

development assistance (ODA) since the Monterrey Consensus, ODA flows have been marked by selectivity and uncertainty. There are many low-income countries that receive very little aid, but few countries have experienced surges in aid flows. ODA to the Philippines, for instance, has steadily decreased for the past seven years. From $13.3 billion in 2000, ODA decreased by 29 per cent to $9.5 billion in 2006. Nevertheless, in the first quarter of 2007, the country's gross national income grew at a record high of 6.9 per cent, the highest since 1999, outperforming other Asian economies in the neighbourhood.

Market interest rates are dropping, enabling the acceleration of bank lending activities and stimulating investment. Inflation is on the downtrend, registering 2.2 per cent in March 2007, the lowest in two decades. The peso, our currency, is appreciating, brought about by strong dollar inflows from portfolio and foreign direct investments. Strong export earnings and overseas workers' remittances have likewise contributed to a robust currency and to the building up of our international reserves. Employment has reached an average of over 91 per cent for the last three years, compared to 89.7 per cent in the past six years. The budget deficit has been decreasing, having gone from $4.8 billion in 2002 to $1.5 billion in 2006, and will further decline $1.4 billion this year.

These economic gains are primarily accounted for by our own bootstrap efforts to raise domestic revenues through fiscal and financial reforms. With strong macroeconomic fundamentals in place, we initiated policy reforms through legislation on mobilizing domestic resources and strengthening the capital markets.

But we cannot afford to be complacent. We have to sustain this accelerating growth and improve our competitiveness. More importantly, we have to translate our financial gains into larger investments, more jobs, increased incomes and reduced poverty rates.

Thus, we are investing in social services, particularly health and education, infrastructure and good governance, specifically, anti-corruption measures. The Government's top priority is education. We are working towards meeting the second Millennium Development Goal (MDG) — to ensure that all boys and girls complete a full course of primary education. We support the Basic Education Madrasah for Muslim Mindanao and promote science, technology and engineering.

In health, MDG 5, maternal mortality reduction, is our flagship programme. Child mortality is declining, but we continue to ensure that immunization coverage is universal.

To improve our infrastructure, we will invest $37.8 billion over the next three years in power and electricity programmes, as well as in roads, bridges, railways, air and water transport. Sustained benefits from our efforts in education, health and infrastructure, as with other aspects of the development agenda, will depend on good governance and anti-corruption efforts.

Our economic performance has given us opportunities to deepen our growth. But we face challenges to which we need to respond. Consistent with the report of the Secretary-General, the Philippines will continue to improve the incomes and savings that provide the domestic resource base to finance human, social and physical investments. We will also work on more equitable sharing of wealth and income through reforms in access to financial resources, housing and social services.

We will increase foreign exchange earnings capacity through diversification and improvement of our exports, as well as by attracting quality foreign investments, while mobilizing external development assistance from the domestic business sector and civil society in public-private and global partnerships and expanding the use of instruments such as debt for development or debt for nature swaps.

Furthermore, we will implement budget reform initiatives by shifting the focus of the budget process from inputs to results and by promoting transparency and accountability.

However, we urge the United Nations and the international financial institutions and developed countries to continue to uphold the principles of the Paris Declaration, which would do away with tied aid and donor-driven projects such as those we continue to witness in the Philippines; to re-visit the concept of debt sustainability and change this from the traditional capacity to pay to the concept of preventing debt payments from hindering countries from meeting their MDGs; and to support South-South cooperation in partnership with emerging economies and developed countries. Lastly, and this we urge very strongly: that

multilateral agencies, in coordination with donor countries, increase ODA commitments to developing countries that sign and ratify the United Nations Convention Against Corruption.

We hope to see the principles of the Paris Declaration upheld at least until our review of the Monterrey Consensus in Doha next year.

The Acting President: I now call on His Excellency Mr. José Camargo, Deputy Minister for Public Investments and External Finances of Bolivia.

Mr. Camargo (Bolivia) (*spoke in Spanish*): Bolivia expresses its recognition and thanks the United Nations for this High-level Dialogue on Financing for Development. Bolivia, on 22 January 2006, under the presidency of Evo Morales Ayma, initiated a profound transformation of our State, reorienting development and focusing it towards a comprehensive, intercultural and diversified democratization of the economy. This transformation finds its conceptual and strategic basis in the National Development Plan and in the firm wish that development should benefit the poorest and most marginalized sectors of society, as well as the native peoples.

This plan is based on the concept of living well, part of our native and indigenous cultures, which have a vision of the universe that go beyond the traditional forms of development. Living well represents a call for the humanization of development, in the sense of recognizing that cultural diversity makes possible social responsibility and duty in public administration. Development thus becomes a collective decision-making process, and social action is an agent, not just a vessel for guidelines given from on high.

Bolivia aims to create a decent, productive, democratic, unified and sovereign State as a prerequisite for building a new community-based socio-economic model, in which the State and the market complement one another and public and private Bolivian companies work together with foreign companies in domestic and foreign markets.

In this sense, The National Development Plan conceives economic growth as a process of consolidation, reinforcement and interaction among identities; as the articulation of networks of exchange and intercultural interaction; as the stimulation of forms of community and of living together and as the creation of mechanisms and institutional frameworks for the protection, respect and promotion of diversity and rights in the productive process.

In line with the declaration of the position of the Rio Group, which recognizes that each country is responsible for its own economic and social development, and in this context, the members of the Rio Group in general, and Bolivia in particular, have drawn up this development policy and strategy in their National Development Plan. In this context, foreign trade and the relationship with the international community are fundamental pillars of this development plan and form the core of a sovereign Bolivia. This strategy requires that international financial organizations, countries and governments that cooperate with Bolivia be our allies in this objective.

On the other hand, developed and industrialized countries are potential markets for Bolivian products. If they open access to their markets, facilitate trade and lift restrictions, that would lead to the diversification of our production and technology, so we could move beyond being a country that exports only raw materials. Providing increased value to our raw materials is the basic premise of the core of the Bolivian plan of production.

Bolivia, a country with vast and diverse natural, ecological, cultural and human riches, in proof of its level-headedness, wishes to provide guarantees foreign investment, in so far as this investment respects and observes the decisions made by an honourable and sovereign State.

Over the past three years, Bolivia has modified the pattern of resources for financing its development. We are now emphasizing more internal resources over those coming from international, multilateral and bilateral cooperation, whether such resources are reimbursable or not. We would thus like to draw the attention of the international community to the fact that Bolivia, in spite of the fact that we are going through a good economic period, still needs international cooperation if our development is to be sustainable.

For Bolivia, the Monterrey Consensus was, beyond any doubt, a significant step forward in addressing problems of financing for development. Although there was an increase in the percentage of official development assistance, there is no doubt that a great deal still remains to be done before we can achieve our objectives. Bolivia therefore believes that we must continue our efforts to improve the follow-up

machinery to implement the Monterrey Consensus, bearing in mind the forthcoming Doha Conference. In this context, Bolivia believes that it is important to promote further reform of the world financial system, endowing it with greater social awareness and effective participation by all countries in international financing organizations. Also, it is necessary that we remove barriers and subsidies that distort trade, because there are still inequalities that harm developing countries. Those are the challenges that will impel us to display a high level of political will at Doha.

Finally, Bolivia aligns itself with the statement made by the representative of Pakistan on behalf of the Group of 77 and China and with the statement to be made by the representative of Chile on behalf of the Rio Group.

The Acting President: I now give the floor to His Excellency Mr. Talaat Abdel Malek, Deputy Minister for International Cooperation of Egypt.

Mr. Abdel Malek (Egypt) (*spoke in Arabic*): At the outset, I would like to express my appreciation to the President of the General Assembly for convening this High-level Dialogue and to express Egypt's support for the statements made by the representative of Benin on behalf of the African Group and by the representative of Pakistan on behalf of the Group of 77 and China.

Over the past few years, we have witnessed numerous meetings and conferences on development issues. However, progress in addressing these international issues cannot be achieved without strong national and international political will. In recent years, developing countries have made great progress along the path to political, economic and social reform. This, in turn, imposes parallel obligations on developed countries to fulfil their commitments, which include the following.

First, an enabling international environment should be created that complements the national capacity-building efforts of developing countries in the various fields of development, including the enhancement of human resources, and that provide adequate space for these countries to maintain a balance between their international commitments and their national policies.

Secondly, the scope and fields of foreign direct investment should be expanded in the greatest possible number of developing countries, and technical assistance by the international community should be intensified to support the efforts of developing countries to enact rules and laws for foreign investment and to encourage investment in infrastructure. It is also important to intensify international cooperation that would support increased capital flows between the countries of the South, within the framework of South-South cooperation, including trilateral cooperation.

Thirdly, we should take on serious steps to achieve a breakthrough in the Doha Round of trade negotiations, with its development objectives. Egypt also calls for the intensification of trade-related international technical assistance directed towards developing countries in the service sector, in the light of the projected increase of that sector's share in the overall volume of international trade.

Fourthly, the developed countries should fulfil their pledges to devote 0.7 per cent of their gross national income to official development assistance. The Paris Declaration on Aid Effectiveness has not yet been implemented properly. An international mechanism is needed to monitor the effective fulfilment of those international pledges, along with funding for the development activities of the United Nations. We welcome international efforts to find new sources of financing for development. We also welcome individual initiatives to combat poverty, such as those of the private sector and people like Bill Gates, Warren Buffet, Ted Turner and others.

Fifthly, innovative ways to deal with the servicing of foreign debt are needed. Let me refer here to the debt initiative which has been successfully implemented in Egypt. I should also note the slow pace of implementing the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative for the least developed countries and the fact that these two initiatives do not include the debts of middle income countries. We recommend the establishment of an international mechanism that would include all debtors to deal with debt in an integrated and institutional manner, governed by rules not subject to conditionalities, and that would give developing countries a better chance to borrow on international financial markets.

Sixthly, reform of the global financial and monetary system, should be expedited. To do this, three things are needed: first, increased participation by

developing countries in international economic decision-making; secondly, adequate controls to accommodate international fluctuations and crises in order not to repeat recent events in the mortgage and real estate markets in the United States; and thirdly, the development of international financing services in a way that is consonant with the increasing needs of middle-income countries.

As a middle-income country, Egypt has achieved progress in many areas of reform through the development of tax and customs laws, reform of investment regulations and the creation of a positive and attractive environment for investments, in cooperation with the World Bank and other international and regional financial institutions. We have also reformed the banking sector and accelerated the process of privatization. This has placed Egypt at the top among developing countries in the field of institutional economic reform, according to the World Bank's Doing Business project. It also accounts for Egypt's high rank among emerging markets in attracting foreign investment, which has been in the range of over $10 billion during the first 10 months of this year. Furthermore, studies indicate that Egypt is on track to achieve the Millennium Development Goals.

Building a new international consensus requires strong United Nations leadership in order to formulate and implement post-2015 development goals particularly in the light of new development challenges that require concerted international efforts. These include the women's empowerment, children's rights, the transborder spread of disease, addressing the phenomenon of climate change, improving education and training in order to provide suitable opportunities for decent work and dealing with the phenomenon of migration and its related issues in both recipient countries and countries of origin.

Hence, we must come out of this meeting with the political will to strengthen the United Nations development role so that the Organization can adapt to the growing international development agenda in the economic and social fields. During the coming period, the delegation of Egypt will present specific proposals aimed at strengthening the implementation of the Monterrey Consensus.

The Acting President: I now give the floor to His Excellency Mr. Sergei Storchak, Deputy Minister of Finance of the Russian Federation.

Mr. Storchak (Russian Federation) (*spoke in Russian*): I would like to take this opportunity to share with you the position of the Russian delegation on financing for development and the implementation of the decisions of the International Conference on Financing for Development.

The recent acceleration in the economic development of a large number of developing countries is a unique phenomenon. The rate of economic growth of middle- and low-income countries during the past five years is 5 per cent annually on average. Never in the history of mankind have such large sections of the population had the opportunity to overcome poverty. If we manage to maintain current trends and ensure stable development, the world will be a completely different place in just a few decades — and not over the course of centuries, as has been the case in the past.

In that connection, we view the meeting in Doha as one of the key events aimed at ensuring practical implementation of the principle of global partnership for development. It is our understanding that the conference will analyse the progress made by all parties in the implementation of the Monterrey agreements, reaffirm the main objectives in the field of financing for development, identify the bottlenecks in the implementation of the post-Monterrey agenda and develop measures to overcome them.

We believe that the upcoming conference should affirm the importance of steps undertaken at the national level to mobilize domestic resources as the basis for ensuring economic growth and eradicating poverty. The conference is also called upon to formulate the proposals of the international community on enhancing the efficiency of recipient countries' own efforts. In that context, we believe that the conference in Doha should take note of the steps being undertaken by a number of financial institutions, primarily the World Bank, and by some donor countries to assist the recipient countries in the elaboration and implementation of large infrastructure projects and should call on other donors to step up efforts in this field. Attention to those matters has significantly flagged recently.

In our opinion, the upcoming meeting should also focus on innovative approaches to mobilizing resources for development, such as the International Finance Facility for Immunization, advance market commitments on vaccines and others. We need to

analyse the advantages and shortcomings of such mechanisms and evaluate the prospects for their future dissemination. Another theme for discussion is the implementation of the intermediate results of other major international initiatives in the field of development assistance, for example, the Multilateral Debt Relief Initiative for the poorest countries, the implementation of which is not proceeding as smoothly as we would hope.

Another agenda item of the Doha conference could be a discussion of the increasing role of the so-called new donors in providing development assistance. Of course, new and traditional donors should be united in promoting the achievement of the Millennium Development Goals and ensuring sustainable global development. But it should be clearly understood that the expansion of the donor community not only opens new prospects, but also gives rise to specific challenges requiring the attention of the international community, such as the coordination and harmonization of donor efforts and the need to avoid increasing the debt burden of recipient countries. We are ready to prepare for the debate on those issues, drawing on the outcomes of the discussion held during the Russian presidency of the G8 on the role of new donors in the international donor community.

We fully subscribe to the principles of global partnership stipulated, in particular, in the Millennium Declaration and the Monterrey Consensus and intend to increase our contribution to the common efforts in the field of international development assistance.

In recent years, the Russian Federation has been actively assisting such international processes. The federal budget allocates funds to assist the poorest countries of the world through participation in the programmes and initiatives implemented by multilateral organizations, cancellation of debt on a bilateral basis, provision of humanitarian assistance and the implementation of Russian initiatives presented during the Russian presidency of the G8. Additionally, Russia is stepping up its participation in international forums on issues related to the effectiveness of development assistance.

The volume of Russian assistance is growing gradually, and, even without taking into account the cancellation of debt, it will amount to $210 million in 2007. Furthermore, in the course of its G8 presidency, Russia undertook additional obligations totalling approximately $600 million to finance, in the course of the four to five coming years, initiatives in the fields of fighting infections diseases, education and overcoming energy poverty in developing countries.

In order to put Russian activity over the past 10 years in the area of international development assistance on a systematic basis, a scheme for the Participation of the Russian Federation in International Development Assistance was prepared and approved in June 2007 by the President of the Russian Federation. The adoption of the scheme, which outlines the basic principles, goals, objectives and guidelines of this work, has become an important step in establishing an effective development assistance mechanism in the Russian Federation. In the preparation of the document, due account was taken of the guidelines and recommendations of the international community and of the Monterrey Consensus and the Paris Declaration on Aid Effectiveness. The document will ensure a systemic approach to the activities of Russian agencies, create an effective system for providing development assistance and help achieve the required economic and social effect in the countries that receive Russian assistance.

In conclusion, I would like to reaffirm our adherence to the commitments made in the field of financing for development, and I express the hope that the Doha conference will become a turning point in poverty eradication and achieving the Millennium Development Goals.

The Acting President: I now give the floor to Her Excellency Ms. Anne Stenhammer, State Secretary of International Development of Norway.

Ms. Stenhammer (Norway): While Norway attaches great importance to all six core areas of the Monterrey Consensus, today I would like to share with you some thoughts on the need for good governance, with a particular focus on the gender aspect. I would also like to highlight the need for increased development assistance and coherence between donors, and between providers of aid and their partner countries.

As we all know, but seldom emphasize, good governance is more than formal democracy and sound macroeconomic management. Those are fundamental ingredients, but they do little for social and sustainable economic development and poverty reduction, unless

they are supplemented by other, more specific measures. I would like to mention three such measures.

First, a strong, transparent, and non-corrupt State is absolutely vital. That requires political will and the right attitude among national elites, including the will to impose taxes to pay for a sound public sector, with appropriate pay for public officials in strong, accountable government institutions.

Secondly, an active and ambitious policy not only towards entrepreneurship, investment and growth, but also as regards fair distribution and equal opportunities for all is necessary. While taxation and the provision of public services are important, experience from many countries shows that the single most important factor in fighting poverty is the provision of decent work. Job creation, opportunities for promotion and the protection of workers' rights are all vital in that respect.

Thirdly, there must be a proactive policy to promote the rights and opportunities of one half of every country's population: its women. Good governance is not possible unless gender equality is made an explicit goal. As Norway's experience shows, promoting gender equality is a matter of human rights and also makes very good economic sense.

Women have the primary responsibility for unpaid housework and care-related tasks. We need to acknowledge both the part played by women and their potential as economic actors that benefit society in general.

Financing for gender equality and the empowerment of women is the main theme for the 2008 session of the United Nations Commission on the Status of Women. We need to keep that key aspect of development in mind in the broader financing for development agenda.

For a number of years, Norway has been exceeding the development assistance target rate of 0.7 per cent of gross national income. In 2008, we plan to achieve a rate of 0.98 per cent. Our aim is to increase that to 1 per cent by 2010 and exceed that figure in the future. Priority has been given, and will continue to be given, to funding development in the least developed countries.

Norway actively supports the achievement of the Millennium Development Goals and is giving special priority to Goals 4 and 5, which aim at reducing child mortality and improving maternal health. The fight against AIDS, malaria and the other diseases, Goal 6, is also a priority. Norway has pledged $1 billion for the vaccination of children in developing countries between 2000 and 2015.

We appreciate the strong emphasis placed on the Paris Declaration on Aid Effectiveness in the report of the Secretary-General.

Finally, we welcome the various initiatives that have been taken in relation to policy coherence, including the recent collaboration between the International Labour Organization and the World Trade Organization on the important link between trade and employment. That is a significant breakthrough as regards ensuring better and more coherent governance at the global level.

The Acting President: I now call on His Excellency Mr. Ib Petersen, State Secretary for Foreign Affairs of Denmark.

Mr. Petersen (Denmark): Allow me to start by associating myself with the statement made by the representative of Portugal on behalf of the European Union.

Five years ago in Monterrey, a compact was forged between rich and poor countries in support of the objectives contained in the Millennium Declaration. Developing countries reaffirmed their undertakings to pursue the Millennium Development Goals, and donor countries their commitments to support those efforts.

This year, we have reached the halfway point towards 2015. The good news is that all major regions are on track to reducing the proportion of people living in extreme poverty by 2015 to below the 1990 rate. That is, all regions but one are on track: in Sub-Saharan Africa, renewed efforts must be made in the years to come.

On the negative side, overall progress is too slow. The message is therefore clear: developing countries and donor countries alike must step up their efforts. The upcoming Doha conference in 2008 will be an important rallying point in that respect.

Denmark is one of only five countries that have reached — and surpassed — the international agreed target of 0.7 percent of gross domestic product as official development assistance (ODA). As the

Assembly is aware, the European Union has agreed on an ambitious ODA timetable to reach 0.7 in 2015 and set new ambitious targets for assistance to Africa. Denmark looks forward to welcoming European Union colleagues and others to the group of "point seven" countries. We hope that even more donor countries will be joining the group in the future.

Increased ODA is but one aspect of our efforts, however. The need to further improve the quality of aid, not least by strengthening the alignment and harmonization of aid in line with the commitments undertaken in the Paris Declaration, remains important. The upcoming meeting in Accra next year is important in that respect.

Focus on international support and the need to strengthen ODA, quantitatively as well as qualitatively, should not overshadow the point made by the European Union presidency and agreed in Monterrey, namely, that every country has the primary responsibility for its own development and that good governance, sound policies and sound national development strategies remain at the centre of any successful effort to attain pro-poor economic growth and eradicate poverty. Key elements remain: strengthening governance, combating corruption, redirecting government revenues, increasing domestic savings, and — not least — furthering private sector development and entrepreneurship.

Denmark is a strong supporter of the Millennium Development Goals (MDGs) and believes that the time has come for a United Nations summit focusing on progress in the attainment of those goals.

One important stepping stone towards the eradication of poverty and the fulfilment of the interlinked MDGs is the achievement of gender equality and the empowerment of women. Denmark therefore intends to put special emphasis on Goal 3, on gender equality. We especially want to focus on women's economic empowerment, as this should be at the core of the efforts to combat poverty.

That is, unfortunately, still not the case. In many countries, efforts in that regard are still much too weak to unleash the full potential of women as entrepreneurs and drivers of economic development. It is widely documented that women do not have equal access to financial resources and to land, and there are other more indirectly discriminating barriers for women's active participation in formal economic activity. That inefficient use of human resources cannot be afforded, if countries are to achieve the MDGs.

In an effort to raise awareness and create new momentum with regard to the economic empowerment of women, the Danish Government will establish a high-level international network and a series of activities in 2008 under the heading "Women Mean Business". The idea is that the network would be very much representative of all regions in the world.

I would also like to highlight the major challenge of climate change, for which financing is a very crucial element of our common efforts. The Intergovernmental Panel on Climate Change has documented that global warming continues to increase and is taking place far quicker than previously thought. The consequences of this will be dramatic and irreversible, and climate change will affect the poorest and the weakest the most, despite the fact that the poorest developing countries have contributed least to the problem.

Countries have very different capacities to act. There is a need to give a strong helping hand to the poorest countries, enabling them to adapt to climate change and to access technologies that will help prevent further warming. Global warming must not undermine the global fight against poverty.

We must base our joint efforts on the notion of common but differentiated responsibilities. Adaptation to and mitigation of climate change is expensive, but it is more expensive to ignore the problem. The challenge of climate change is a development challenge. Increased ODA is necessary, and we need to think of innovative ways in which public financing can catalyse other sources of financing, such as private investments.

We must deal with the challenge of climate change on a global level. Denmark is pleased that it will host the United Nations Climate Change Conference — the fifteenth Conference of Parties to the Convention — in December 2009. We will, among other things, work to ensure that consideration for the poorest countries' interests will play an important role in a new agreement. Our common ambition should be very high. We must reach consensus on an effective and multilateral post-Kyoto agreement. The Climate Change Conference in Copenhagen is our last chance if the agreement is to enter into force by 2012.

There is no doubt that in order to achieve the MDGs, not only at the global level, but also in

sub-Saharan Africa, we need to do more and do it faster. The Monterrey Consensus made this a joint undertaking. Developing countries must pursue sound policies that can make the goals attainable, and donor countries must support those efforts through increased ODA and through their clear commitment to the Paris Declaration on Aid Effectiveness.

There is solid ground to build on, but it will take a common and determined effort in a number of areas, including climate change and the empowerment of women, to make sure that, come 2015, we will have reached the goals we set out to achieve.

The Acting President: I now give the floor to Her Excellency the Baroness Shriti Vadera, Development Minister of the United Kingdom of Great Britain and Northern Ireland.

Baroness Vadera (United Kingdom): The United Kingdom agrees with the statement made by my Portuguese colleague on behalf of the European Union. I especially welcome the acknowledgement of the importance of women's economic empowerment to tackle poverty.

The United Nations is the world's most legitimate and important forum in which to discuss our shared interests, but I welcome this High-level Dialogue to consider our shared promises. Five years ago, the world came together in Monterrey, Mexico, to make those promises. We reached a consensus between rich and poor, to achieve sustainable development, the Millennium Development Goals (MDGs) and the internationally agreed development goals. Donor countries promised to increase their aid. Developing countries promised to improve governance, domestic resource mobilization and the conditions for investment, economic growth and long-term prosperity for all.

The year 2005 was a landmark year for financing for development. At the World Summit here in New York, the G8 summit in Gleneagles, the European Union summit and in the Paris Declaration on Aid Effectiveness, we reaffirmed the commitments of Monterrey and set ourselves specific targets for increased aid. It is now time to deliver on those promises.

I am proud that the United Kingdom is meeting its commitments. Since 1997, we have trebled our official development assistance (ODA) levels, which are now historically higher than at any other time in our history. In 2006, we became the world's second largest donor, supporting countries around the world to achieve their goals. We pay tribute to the results our partner countries are achieving in improving health and education outcomes and increasing growth, using our resources and their own.

On 10 October, the Government of the United Kingdom announced that by 2010-2011 our ODA will increase to 0.56 per cent of gross national income, equivalent to $18 billion per annum. We will therefore deliver on the commitments we made at the United Nations, the European Union and Gleneagles, including to double our aid to Africa. We are on track to increase ODA to 0.7 per cent of gross national income by 2013, two years ahead of the European Union target.

We are pleased that the underlying trend of global aid is on the rise. The exceptionally high levels of debt relief in 2005 mean that global ODA fell in 2006 and 2007. We should not let that technical decrease be used by sceptics to obfuscate the underlying 30 per cent increase of aid since Monterrey in 2002. Nevertheless, despite that trend, we know that collectively, as a global donor community, we need to keep our promises and redouble our efforts.

All donors face budgetary pressures and competing domestic priorities. But we know that if we have the political will, there are solutions, including many innovative financing ideas that have been proposed and developed, such as the International Finance Facility for Immunization and the International Drug Purchase Facility, using air passenger levies.

As the Secretary-General said two weeks ago, we need urgent concerted action because we know that nearly all the MDGs are globally off-track, and that some countries are falling far behind, especially in Africa.

I welcome this important High-level Dialogue as a key stepping stone to getting ourselves back on track. I agree with those who say we do not need more commitments, studies or reports; we need delivery. In the words of the President of the General Assembly of this morning, time is running out. As my Prime Minister, Gordon Brown, said in July in New York, we face a development emergency that needs emergency action. We must work together, one community with a common aim.

The United Kingdom therefore agrees with the three proposals of the Millennium Development Goals Africa Steering Group of the Secretary-General.

First, effective instruments for health, education, agriculture, food security, infrastructure and statistical systems are needed. We are already working with others in the International Health Partnership for donors and health agencies to coordinate and support country-owned health plans for the creation of permanent health systems. We have a Fast Track Initiative to provide every child with a quality education. But more needs to be done.

Secondly, the Steering Group emphasized long-term predictable aid. That is an absolute priority, in order to enable our partner countries to plan to build effective and permanent systems to reach the MDGs. Without knowing if teachers can be paid, you cannot build an education system; without knowing if the health system will be funded, you cannot train health workers; without long-term financing, there can be no commitment to infrastructure.

Thirdly, we need donor coordination, pulling our separate projects together into one coherent programme and supporting the strategies of our partner Governments. Our efforts and initiatives should not compete and detract from one another but be greater than the sum of their parts.

The one lesson we have learned is that aid delivers long-term impact only when it is led by partner countries. I want to commend the paper by the World Bank on "Country-based scaling up", which was discussed this weekend at the World Bank Group/ International Monetary Fund annual meetings. I also want to acknowledge the leadership of my Dutch and Swedish colleagues in developing the Results and Resources Partnership process for scaling up in 2008, which we, the World Bank and others support.

While aid is necessary to most developing countries, in no country is it sufficient to meet the development goals. We commend the aspiration of partner countries for growth and economic self sufficiency — an aspiration that donors have not always supported and paid as much attention to as they should have. Without growth, sustainable human development is a largely theoretical proposition.

But here, too, we have an obligation. No country has reduced poverty in the past 30 years without also increasing trade. We must therefore deliver on the promise of the Doha trade round. We need a good deal for poor countries, and we need it now. There is nothing to gain by delaying agreement any further. In addition to creating fair trade rules, we need to equip countries to compete effectively and integrate into the global marketplace. Delivering on aid for trade is therefore an essential element of financing for development.

In addition, we must not ignore climate change. The impact of climate change is felt disproportionately by low-emissions poor countries. Rather than facing the threats we fear, they are living the daily reality of water shortages, crop failures, floods and diseases. In 2005, in the United Kingdom, civil society created a campaign for Gleneagles called "Make Poverty History". Unless we tackle climate change and assist poor countries in adapting to its impact, we will not just fail to meet development goals, we will instead ensure that poverty becomes the future. Climate change is about more than development. It is about justice.

To achieve a truly collective effort, we need the leadership that only the United Nations can provide. That is why our Prime Minister has urged the Secretary-General to convene a United Nations meeting during 2008 in the run-up to the Doha Conference on Financing for Development, so that heads of Government can come together to accelerate action towards our goals. It would create a rallying point for the world, bringing together the private sector, civil society, non-governmental organizations and faith groups in a call to action that would urge Governments to act before it is too late.

I am grateful for the opportunity to participate in this High-level Dialogue and to hear the important statements made by others. I hope this Dialogue will be the stepping stone to a special rallying meeting at the United Nations in 2008, to a successful financing for development Conference in Doha and, beyond that, to achieving our targets, year on year, as we reach 2015.

The Acting President: I now give the floor to His Excellency Mr. Rahmat Waluyanto, Senior Deputy Minister of Finance of Indonesia.

Mr. Waluyanto: The Indonesian delegation welcomes the convening of this High-level Dialogue of the General Assembly on Financing for Development and commends the President of the Assembly for this initiative. I also take this opportunity to associate

myself with the statement delivered by the representative of Pakistan on behalf of the Group of 77 and China.

Indonesia has always placed high importance on the attainment of the Millennium Development Goals (MDGs). My President has reiterated twice in this Hall that practical efforts to alleviate poverty must be promoted and that developing countries must move forward with the ready support of developed countries in a spirit of global partnership.

Yet the report of the Secretary-General (A/62/217) suggests that although progress has been made in the implementation of the Monterrey Consensus, much more needs to be done so that most developing countries can escape the vicious cycle of poverty, lack of productive capacity, supply-side constraints and vulnerability to external economic and financial shocks. Lack of capacity in managing external debt also continues to weigh down fiscal efforts, and the threat of a debt crisis remains prevalent. Trade, as one of the engines of growth, has also yet to play its inherent role of alleviating poverty.

If we are truly committed to attaining the MDGs within the specified time frame, more commitments need to be implemented. We cannot expect to continue looking into the past to attain better results. We must look within to generate the necessary development, so that the international community can truly engage us in a global partnership.

The essence of the Monterrey Consensus is to promote international cooperation and partnership in order to mobilize resources for development. That global partnership, although the responsibility of developing States, inherently requires the full support of developed countries and the international community to establish sustainable financing for development.

In order to attain that, efforts must be invested in continuously developing domestic capacities to generate the necessary resources to finance development. Until now, those resources have been focused on mobilizing domestic savings and attracting private capital inflows. We have learned that to effectively implement that practice, we must foster the establishment of a sound institutional framework that supports domestic economic policies. Only through the establishment of stable macroeconomic policy can we hope to provide market confidence and attract foreign direct investment. Along those lines, we must strive to create a regulatory policy design that is both transparent and consistent, including a reliable legal framework to foster a favourable investment climate.

One of the potential ways to generate our own resources for development is to empower the domestic bond market. Through the use of a fully operational bond market, countries can be provided with more funds to finance their development programmes, while also supporting the Government with flexibility, better planning capacity and improved accountability. We stress the importance of a sound capital market as an alternative source of financing for the real sector, and also for the Government budget. By the same token, countries must remain vigilant in their fiscal resilience and must ensure the sustainability of utilizing those means.

In order to build a workable domestic bond market, we need to cooperate together. Developing countries need support from developed countries to improve governance regulation, which will generate market confidence, and to build capital market infrastructure and transparency. In that regard, it is necessary that attention be given to the development of the Government bond market in a comprehensive manner that would later support the development of a domestic bond market as an alternative source of financing for development, along with the traditional sources through the banking sector and international or foreign loans. Consequently, developing countries also need assistance in building a clear legal framework, providing the certainty of law, in order to resolve disputes and facilitate cross-border trading.

As global trade and financial links intensify, growth in one economy will have an impact on others. Accordingly, it will be in the interest of individual economies to foster the economic stability and prosperity of others. Ignoring that would result in a greater risk of spill-over economic effects. We must therefore galvanize effort to minimize the risk of recurring systemic crises by developing early warning systems, improving communication for effective policy formulation, preparing adequate resources and generating broad support to assist affected countries.

We also emphasize our concern regarding climate change, which poses a real threat and a present danger, not only to sustainable development, but to our very existence. We call for the international community to

support developing countries in addressing the threat. With this issue now becoming more of a concern for ministers of finance and economic development, Indonesia will host a high-level event on climate change for finance ministers, the first of its kind, in December 2007. We believe that that meeting will be a good opportunity for those ministers to play an important role in the issue of climate change through the formulation of relevant policies in areas such as fiscal policy, risk management, insurance, finance policy and the power to direct the flow of funds and investments.

To conclude, Indonesia is very confident that pertinent elements produced by this Dialogue will add value in the discussion to come. Hence, the summary of this meeting should be fully considered by the upcoming Economic and Social Council Development Cooperation Forum and by the International Conference on Financing for Development, to be held in Doha, Qatar, as a key milestone to promote coherency in implementing international policies on financing for development.

The Acting President: I now give the floor to His Excellency Mr. László Várkonyi, State Secretary for Foreign Affairs of Hungary.

Mr. Várkonyi (Hungary): Please allow me to express Hungary's appreciation to the President of the General Assembly for organizing this High-level Dialogue. We welcome and support the report of the Secretary-General on financing for development (A/62/217), and it is a pleasure for me to participate in such an important event.

I would like to voice strong support for the realization of the Millennium Development Goals (MDGs). Development is for the benefit of all humankind; therefore, as far as our possibilities permit, we are strongly committed to offering increasing financial support to the developing world. As a member of the international donor community, we share the principles adopted in Monterrey in 2002.

The Government of Hungary has been making efforts in order to increase the volume of aid offered to the developing world. In 2006, Hungary reached the level of 0.13 per cent of its gross national income (GNI) for official development assistance (ODA), thus, making a significant stride towards the individual 0.17 per cent target for 2010.

However, let me emphasize that increasing the amount of development funds will not by itself result in reaching the Millennium Development Goals. First and foremost, it is necessary to use these amounts effectively — and effectiveness must be visible in both donor and partner countries. In this regard, special attention must be paid to donor coordination and to policy coherence for development. Moreover, we must also bear in mind that adjusting enlarged assistance to the specific and realistic needs of partner countries is of crucial importance. The appropriate adjustment of resources is key to their adequate utilization.

Another important issue is the fact that the key to successful development lies within the developing countries themselves. The international donor community can be successful only through the progress of these developing countries. Having gone through its own transition process, Hungary is ready to offer its experience to all developing countries committed to implementing good governance.

Stability of trade based on predictable multilateral rules and regulations is the engine of economic growth. Besides the role and importance of traditional North-South commercial relations, we also deem significant the ever increasing South-South commerce. A number of studies have supported the importance of trade among developing countries and the advantages gained from the reduction of tariff and non-tariff trade barriers. We are convinced that trade liberalization can play a vital role in poverty reduction and in attaining economic growth in the least developing countries and in countries with small and fragile economies.

However, granting opportunities for market access alone is not sufficient for those countries to integrate into the world economy. Assistance in building adequate production capacities and commercial infrastructure is, therefore, necessary and strongly recommended. In Hungary's view, the Aid for Trade initiative serves this very cause and, by granting resources to the developing countries, facilitates the adaptation process generated by liberalization.

As a member of the European Union, we also have strong commitments and obligations in the area of trade liberalization. Together with other member States, we are taking part in the initiative of increasing by €1 billion the volume of trade-related assistance offered to developing countries. In order to achieve this

target, Hungary intends to allocate a significant sum from our 2008 budget for development. I would like to confirm that we are planning to apply this assistance in two forms: by donating to multilateral funds and by undertaking bilateral programmes.

I also would like to draw the Assembly's attention to the report on the status of the achievement of the MDGs in 2007. The *Millennium Development Goals Report 2007* stresses that a lot more has to be done, especially in sub-Saharan Africa. Therefore, Hungary, along with other donor countries, will increase its development focus on the least developed countries of Africa.

Finally, I wish to reiterate the role of international cooperation. Common responsibility and joint action are fundamental in order to reach our goals in the developing world. I strongly hope that together we will succeed.

The Acting President: I now give the floor to His Excellency The Honourable Tjikero Tweya, Deputy Minister of Finance of Namibia.

Mr. Tweya (Namibia): I am grateful for the opportunity to participate in this very important forum, which gives us the chance to assess, as well as to share with one another, our experience. At the outset, Namibia wishes to put on record our support for the statement delivered by the State Minister for Economic Affairs of Pakistan on behalf of the Group of 77 and China. We appreciate the wonderful work of the Secretary-General in producing several comprehensive reports for this High-level Dialogue on the theme of "The Monterrey Consensus: status of implementation and tasks ahead".

During the International Conference on Financing for Development, six main themes were identified: mobilization of domestic financial resources for development; mobilization of international resources for development; international trade as an engine for development; increasing international financial and technical cooperation for development; external debt; and addressing systemic issues.

With regard to the mobilization of domestic resources, Namibia has achieved macroeconomic stability characterized by, among other things, a relatively low rate of inflation, which currently stands at 6.7 per cent. This has resulted in economic growth of 4.6 per cent in 2006, which, though commendable, is far short of the 7 per cent required for the achievement of the Millennium Development Goals by 2015 and our own long-term national development plan, called Vision 2030.

Furthermore, for the second consecutive year since our independence in 1990, we were able to record a surplus in the 2007-2008 fiscal year, following the trend set by the 2006-2007 fiscal year. Our revenue collection has also improved in recent years. These policies, coupled with investment in infrastructure and social services, have also contributed significantly to poverty reduction.

In our context, the poor are those who are unable to afford the minimum basic necessities of life, while the extreme poor are those households that spend 80 per cent or more of their income on food. These have been reduced from 9 per cent in 1993 to 3.9 per cent in 2004, a reduction of about 55 per cent. The Government of Namibia has set itself the target of reducing extreme poverty by 2012, ahead of the deadline for the achievement of the Millennium Development Goals (MDGs).

Foreign direct investment has been coming in very slowly, despite deliberate policies that include freedom for investors to repatriate their profits to their countries of origin and a number of tax incentives. Moreover, the economic growth has been without a commensurate rate of job creation.

On the question of international trade as an engine for development, as identified in Monterrey, Namibia has experienced some increase in trade in some commodities, notably in minerals and agricultural products. However, we are still experiencing a trade deficit whereby our exports are still low compared to imports. Furthermore, we have yet to succeed in providing our experts with value addition and technological content. In that regard, the impasse in the Doha Development Round of trade negotiations and the accompanying insufficient funding and slow pace in implementation of the Aid for Trade initiative have dampened our hopes of addressing supply-side constraints much sooner. Trade-distorting agricultural subsidies by developed countries also make it difficult for our products to compete in developed markets.

International financial and technical cooperation for development has continued to decline steadily in my country, from $110 per capita at independence in

1990 to a mere $60 per capita in 2005. In addition, the number of bilateral development partners active in Namibia has declined, from 22 in 1990 to 17 in 2006, and there are indications that another three might be leaving the country during 2008. That continuous decline in ODA may in the long run have negative effects on our efforts to fight poverty and to achieve the MDGs.

Limited capacity for service delivery is also one of the basic obstacles to economic growth and development in Namibia. Capacity-building requirements encompass both human and institutional resources, including for research and development, and systems in the area of enabling policies. In addition, there is a mismatch in the labour market between demand for and supply of labour, which is one of the main reasons for rising unemployment in the country. In an effort to address that mismatch, the Government has launched the Education and Training Sector Improvement Programme, which is a strategic plan to increase the service delivery in the education sector.

The international community can support our efforts with financial and technical assistance to meet our human resource requirements. If we had the choice, we would prefer budgetary support, as it offers flexibility in the allocation of resources and predictability of available resources. To that end, we note with appreciation the recent positive announcement by the Bretton Woods institutions that mechanisms would be put in place to address the development needs of middle-income developing countries, such as my country.

Namibia's public debt remains relatively low and is expected to decline below the Government's fiscal target of 25 per cent of GDP in the 2007-2008 fiscal year. That is due to fiscal prudence, which has allowed us to live within our means. However, unless the international community comes up with a programme specifically targeted at addressing the needs of middle-income developing countries, the gains we have achieved so far may be reversed in the long run. Investment in infrastructure and social services, which is a prerequisite for poverty reduction, requires substantial resources. In that regard, ODA and concessional loans will significantly contribute to our efforts to avoid unsustainable debt.

In conclusion, we hope that this Dialogue sets the stage for the review conference on the implementation of the Monterrey Consensus in Doha next year. We look forward to that conference which in our view should look into what has been achieved and needs to be done to make improvements where there are shortcomings and, especially, should come up with a common understanding of what constitutes ODA in order to avoid any future misunderstanding. We do not think that debt relief should be included in the concept of ODA. However, if it is included for any reason, then it should be accounted for separately. Debt relief does not represent additional resource flows into developing countries, even though it stems outflows. Another challenge that the review conference should address is the lack of implementation of the commitments made. Most of the commitments have hardly been translated into concrete actions; that is a major challenge.

The review conference should also deliberate on how the international community could support the development efforts of middle-income developing countries, whose needs have so far not been addressed within the context of the United Nations. The conference therefore should further assess why there has been no significant upward movement within the ranks of middle-income developing countries.

The Acting President: I now give the floor to His Excellency Mr. Cyril Chami, Deputy Minister for Foreign Affairs and International Cooperation of the United Republic of Tanzania.

Mr. Chami (United Republic of Tanzania): As may be recalled, the International Conference on Financing for Development which took place in Mexico in 2002 led to the adoption of the Monterrey Consensus. Similarly, financing for development was once again high on the agenda at the World Summit held in Johannesburg in 2003. At each occasion, the Heads of State or Government reaffirmed the need for strengthening partnerships for sustainable development with a special emphasis on Africa.

The outcome of the Summit of the Group of Eight (G8) held at Gleneagles in July 2005 was yet again a significant forum for review of the Monterrey Consensus. The meeting focused on how to accelerate the achievement of the Millennium Development Goals (MDGs) by 2015. Today, we are halfway there and the progress in Africa has had mixed results.

In tandem with those international milestones and other initiatives, Tanzania has taken various measures to implement its national and international obligations

by formulating and implementing policies and programmes. The National Vision 2025 for mainland Tanzania and Vision 2020 for Zanzibar, both adopted before the Monterrey Consensus, aim at attaining improved livelihood, peace, stability and national unity, good governance and a well-educated and learned society committed to development. Those measures also set the direction for a competitive economy capable of producing sustainable growth and shared benefits.

The two visions anticipate Tanzania's graduation from a least developed to a middle-income country, the elimination of abject poverty and the maintenance of a high economic growth rate of at least 8 per cent per annum. More recently, and consistent with the MDGs, the National Strategy for Growth and Reduction of Poverty was created as a second national organizing framework to put the focus on poverty reduction high on the country's development agenda. It communicates the visions and is aimed at achieving the MDGs of internationally agreed targets by 2015.

In tracking the implementation of the MDGs, Tanzania was one of the first countries to produce an MDG document in 2001. The 2005 report had an encouraging story for many indicators. For instance, in primary education enrolment we are ahead of schedule for achieving the target. With respect to secondary and higher education, we have witnessed a steady increase in secondary and tertiary institutions under public and private initiatives. Likewise, in gender parity in education enrolment and political representation, there has been significant progress.

There are, however, areas of mixed results. For instance, in health targets — HIV/AIDS and malaria — we are still lagging behind. We also are not doing so well with the maternal mortality rate, but we are determined to scale up interventions in that area. We are doing well in infant mortality rate and we are in the range of meeting that MDG target by 2015. We are also making good progress in building health facilities across the country and supplying clean water in rural areas.

While we are working towards meeting our commitments to the internationally agreed obligations of good governance, macroeconomic reforms and mobilization of domestic resources, challenges still persist. Those include, among others, inadequate energy, poor education and health facilities, undeveloped physical and soft infrastructure and the marauding HIV/AIDS pandemic. In order to meet the MDGs and other internationally agreed development goal benchmarks by 2015, we need to put out more efforts in the remaining period.

On the domestic front, we intend to increase momentum in implementing our commitments to meet the MDGs and the internationally agreed development goals. For example, in our national budget this year we have committed a substantial amount of the allocation of the national budget to education and the development of infrastructure with the intention of opening productive areas in the hinterlands, as well as addressing the systemic problems related to transport bottlenecks. We are grateful to our development partners and both the bilateral and multilateral donor community for supporting our development objectives and for improving quality and directing assistance. The support will greatly contribute to the efforts in addressing the MDG targets.

The implementation of ongoing economic reforms in the country has yielded substantial economic growth as demonstrated by good macroeconomic performance over the past five years, whereby real GDP has been growing at an annual average rate of 6 per cent, well above the sub-Saharan average during the period. The achievements have been grounded on a sound macroeconomic policy framework, institutionalization of regulatory framework, progress on structural reforms and substantial private sector involvement.

Despite that progress, the issue of the unsustainable debt burden continues to be a serious drawback to Tanzania's development efforts despite debt relief provided under the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative, as well as additional bilateral relief.

More negotiations are ongoing to further reduce the debt burden. However, various studies show that the debt obligation will never be met in the foreseeable future because of the technicalities involved. It is obvious that if the international community is serious about reducing poverty, the solution for the least developed countries — including Tanzania — is to cancel the overall multilateral debt in order to release the resources for poverty reduction and development. For their part, the developing countries should accelerate domestic resources mobilization.

International trade is a tool for development and is directly linked to it. The Tanzanian economy is still diversifying its exports in order to meet unfolding market opportunities. Those efforts are linked to the Government's commitment to providing quality education commensurate with the modern economy and infrastructure that supports economic activities. The continuation of economic growth beyond 6 per cent and economic diversification will provide impetus to growth in our exports. On international trade practices, we need to conclude the World Trade Organization negotiations in order to address the existing constraints of market access which affect us.

Let me conclude by stating that the issues of financing for development need new impetus now and not later, in order to resuscitate the good intentions of Monterrey.

My delegation and I are optimistic that the deliberations of this high-level meeting will send the right signals to the forthcoming Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha. We hope that the Conference will provide a valuable opportunity to make progress towards an agreement on a comprehensive and effective approach to meet the resource requirements for the development of developing countries.

The Acting President: I now give the floor to His Excellency Mr. Park In-kook, Deputy Minister for International Organizations and Global Issues of the Ministry for Foreign Affairs of the Republic of Korea.

Mr. Park In-Kook (Republic of Korea): This meeting comes at a moment when international political and economic conditions have never been more favourable for the international community's achievement of our development goals. Despite some evident vulnerability, the continued growth of the world economy, based on a relatively stable financial sector and low inflation, provides a unique opportunity to launch reforms in the area of financing for development on the basis of a long-term vision.

As the report of the Secretary-General (A/62/190) clearly points out, there are concerns that the fruits are not fairly distributed in the implementation of the Monterrey Consensus. Selective allocation of aid excludes many low-income countries, despite their urgent need. I hope that at this meeting we will further the discussion on how to reduce the number of developing countries that are shut out of international aid.

Needless to say, the international community has made strenuous efforts towards strengthening its commitment to eradicate poverty and disease. Official development assistance (ODA) increased from $53 billion in 2000 to more than $100 billion last year. Significant progress has been made in various sectors but, with the exception of some countries in the Asian region, we have not been very successful in alleviating extreme poverty in countries where it is most rife. With the upcoming Doha summit in 2008, we need an extraordinary jumpstart to accelerate progress.

There are clear signs of hope that we can achieve the Millennium Development Goals (MDGs). One is the remarkable increase in the number of donor countries. Seven years ago, the traditional donor countries represented by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) were the world's only donors. Now, a number of other countries with strong economies are scaling up their ODA, including the Republic of Korea, as well as Brazil, Russia, India and China — the so-called BRIC States — and other non-DAC OECD countries.

In an effort to build effective partnerships among traditional and newly emerging donors, the Republic of Korea, together with the OECD, held a conference in Seoul just last month with non-DAC OECD donor countries. There were productive consultations on enhancing cooperation and aid effectiveness. Emerging donors, whose political and economic influence has been growing steadily in recent years, are encouraged to play a more noticeable role in meeting the aid requirements necessary to reach the MDG targets.

Another important factor vis-à-vis those emerging donors is that they themselves were once recipient countries. Having gone through the development process, they can provide practical advice and guidelines, sharing the lessons they have learned with today's recipient countries.

As an emerging donor that will be joining DAC by 2010, the Republic of Korea has on many occasions declared its strong commitment to faithfully implement the principles set out in the Monterrey Consensus and to make an even greater contribution at the international level. To that end, we are planning to

expand our ODA to $1 billion by 2009, and to $3.2 billion by 2015.

To complement our aid resources and further support international efforts to eradicate poverty, we have also joined the air-ticket solidarity levy initiative, an innovative source of financing for development. It is highly auspicious that innovative financing for development is emerging so rapidly as a major issue on the international agenda. To support such innovation, the Republic of Korea, last September in Seoul, hosted the Third Plenary Meeting of the Leading Group on Solidarity Levies to Fund Development.

The first element of the Monterey Consensus emphasizes mobilizing domestic financial resources. That clearly underlines the key role of enhancing the financial capacity of developing countries through national savings campaigns, investment and concentration of capital, especially in view of the importance of achieving sustainable development based on ownership. Korea's development experience during the past five decades confirms the importance of those concepts. However, our development history also reveals that domestic efforts are not enough. Such endeavours must be augmented by foreign direct investment and other private capital flows for the development of key infrastructure.

Given the diversity of economic growth among and within developing countries, there can be no one-size-fits-all development strategy. Tailored approaches to development can be used to establish national development strategies for developing countries that reflect the unique indigenous characteristics of their development.

The case of the Republic of Korea shows that developing countries should carefully formulate their plans and policies according to their respective levels of development and retain the ability to create the most appropriate development strategies by referring to proven best practices.

To maximize the efficiency of international resources, recipients need to establish appropriate financial regulations and mechanisms to facilitate stable capital flows, aligning them with broader long-term objectives for sustainable development. For its part, Korea has in place policies to facilitate such capital transfers through the reduction of transmission costs and the liberation of overseas remittances — while our foreign direct investment in developing countries reached $5.2 billion in 2006.

I believe that the third method of financing put forward by the Monterrey Consensus — international trade as an engine for development — was at the core of Korea's success story. With financial resources and advanced technology attained through trade, Korea was not only able to accumulate the necessary foreign capital but also to invest massively in mid-to-long-term development plans. Based on its unique experience, Korea is assisting developing countries to build capacity in the area of trade by increasing the benefits of non-tariff trade, aid-for-trade and other trade-related technical cooperation.

Four decades following the Korean War, the Republic of Korea is now a developed country that once was a major recipient country, receiving $13 billion in aid. Our case shows that international assistance can serve as an indispensable engine for development and growth by creating a virtuous cycle in the development process. Korea now stands ready to contribute to international efforts to meet the MDGs by enhancing partnerships with both recipient and donor countries. We firmly believe that effective partnerships among donors and recipients can be established through the ownership of development plans, along with sound policies and good governance.

The Republic of Korea focuses not only on increasing the volume of its aid, but also on improving its effectiveness. In establishing and carrying our aid policy, we have lunched the mid-term Government management plan as an effort to increase the volume of aid every five years, to develop policies to expand considerably the rate of untied aid and to enhance the proportion of grants in the disbursement of our aid.

At the halfway point to the deadline for meeting the MDGs, it is high time for us take stock of our achievements to date and to pool our wisdom to set the future direction for concrete action. It is my sincere hope that this meeting will yield productive and tangible outcomes, paving the way towards the success of the 2008 Doha Conference.

The meeting rose at 6.30 p.m.

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Official Records

33rd plenary meeting
Wednesday, 24 October 2007, 10 a.m.
New York

President: Mr. Kerim ..... (The former Yugoslav Republic of Macedonia)

The meeting was called to order at 10.05 a.m.

Agenda item 53 (*continued*)

Follow-up to and implementation of the outcome of the International Conference on Financing for Development

(b) High-level dialogue for the implementation of the outcome of the International Conference on Financing for Development

Reports of the Secretary-General (A/62/190 and A/62/217)

Note by the Secretary-General (A/62/271)

Summary by the President of the Economic and Social Council (A/62/76-E/2007/155 and A/62/76/Corr.1-E/2007/155/Corr.1)

The President: I give the floor to His Excellency Mr. James Mulungushi, Permanent Secretary of the Ministry of Finance and National Planning of Zambia.

Mr. Mulungushi (Zambia): Zambia would like to join previous speakers in complimenting you, Sir, for convening this High-level Dialogue as we prepare for the review of the implementation of the Monterey Consensus. We also wish to commend the Secretary-General for his report contained in document A/62/217.

Zambia fully aligns itself with the statements made by the representatives of Pakistan on behalf of the Group of 77 and China, and of Bangladesh on behalf of the least developed countries.

We may recall that the Monterrey Consensus on financing for development offered a lot of hope to the developing world for its integration into the global economy. Indeed, some developing countries have exhibited positive economic growth, though the majority are far from being integrated and will not achieve most of the internationally agreed development goals, including the Millennium Development Goals (MDGs).

Zambia, like many other developing countries, is committed to the implementation of the decisions agreed upon in the Monterrey Consensus and calls upon all the other parties to honour their pledges. In that regard, Zambia has made considerable progress in the implementation of the Monterrey Consensus agreed upon in 2002. Conditions for mobilizing both domestic and external financial resources have been achieved, as evidenced by the improved and sustained macroeconomic environment of the past five years. Real gross domestic product (GDP), which is a key stimulus for expanding fiscal space, has been growing at an average of over 5 per cent over the past five years. On the other hand, inflation has been declining, reaching single digits in 2006 for the first time in 30 years. Interest rates have also enabled increased private sector credit, which grew by 54.7 per cent in 2006. Banks have been diversifying their range of products and branches. Domestic revenues as a percentage of GDP have been stabilized at around 18 per cent. The foreign exchange rate of the kwacha against major currencies has also been stable. That macroeconomic stability has resulted in increased

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foreign direct investment in recent years, especially in the mining sector. In 2006, for example, foreign direct investment was around $400 million.

Furthermore, external sector performance has been good, as evidenced by a sustained increase in exports in the past five years and improvement in gross international reserves. Growth in non-traditional exports over the past five years has been over 25 per cent. Similarly, metal exports in the past five years have increased due to high copper prices on the international market. The external debt overhang has declined significantly and now stands at around $700 million, thereby providing the much-needed fiscal space for the implementation of development programmes. Zambia therefore appreciates the debt relief provided under the Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative.

Within the harmonization strategy contained in its fifth national development plan, progress has been made in harmonizing donor practices so as to improve aid effectiveness in line with the Paris Declaration. The Joint Assistance Strategy for Zambia, which defines Zambia's development framework with cooperating partners, has been developed. In addition, a number of cooperating partners have signed a memorandum of understanding on poverty reduction budget support in an effort to reduce transaction costs and improve predictability of external resources.

In order to drive the development process, Zambia has prepared a fully-owned fifth national development plan for the period 2006-2010, the theme of which emphasizes infrastructure development, capacity-building, technological advancement and wealth creation. That also includes investment in health and education.

We are hopeful that, going ahead, the country is poised for further growth. That optimism is premised on continued strong improvements in macroeconomic performance and progress in public expenditure management, in line with the fifth national development plan. Specifically, the focus in the coming years will be on, first, the efficient use of the fiscal space that has been created as a result of debt relief and sustained GDP growth; secondly, improving domestic resource collection; and thirdly, deepening structural reforms, especially those that will increase domestic and foreign investment, facilitate trade and improve productivity. Some of the reforms that Zambia is implementing in that regard are the Public Expenditure Management and Accountability, the Private Sector Development Programme and the Millennium Challenge Account Threshold Programme.

Though Zambia is experiencing growth, there is a downside to this positive story. That is due to the fact that poverty levels remain high and were estimated at 68 per cent in 2004, down from 73 per cent in 1998. Sustained growth is still fragile, since the economy is largely dependent on the mining sector and rain-fed agriculture, coupled with inadequate economic infrastructure. In the social sectors of education and health, critical shortages of teachers, nurses and doctors have adversely affected service delivery. The impact of the HIV/AIDS pandemic also remains a challenge, adding further pressure on health care delivery.

Therefore Zambia like many other developing countries, needs a lot of assistance from the international community and calls for concerted efforts in order for our countries to be integrated into the global economy. The following areas, among others, should be addressed in order to overcome some of the challenges that we face in Zambia: the scaling-up of aid to Africa, in line with the agreed commitments, so that development programmes can be intensified; realigning development assistance with recipient countries' national development strategies; concluding the Doha Round of negotiations, which is expected to deal with the interests and needs of Africa; financing the infrastructure gap in Africa by, among other things, improving the structure of private-public partnerships, including by building capacity in the public sector to deal with such partnerships; increasing the voice and participation of developing countries in the international financial institutions and other institutions at the global level; and financing the negative impacts of climate change in least developed countries, which are highly vulnerable to those effects because of their dependence on rain-fed agriculture.

The President: I call on His Excellency Mr. Gyan Chandra Acharya, Foreign Secretary, Ministry of Foreign Affairs of Nepal.

Mr. Acharya (Nepal): Let me begin by appreciating the comprehensive reports of the Secretary-General on the status of financing for development.

I wish to associate myself with the statement made by the representative of Pakistan on behalf of the Group of 77 and China.

Since the international community has expressed its firm commitment to achieving the Millennium Development Goals (MDGs), financing for development and attaining sustainable development, the development agenda has occupied centre stage at the United Nations. But there have been mixed results in development since those compacts were agreed. While some developing countries have made good progress, many, particularly least developing countries (LDCs), are lagging behind in their development. Their development is severely constrained by the lack of sustainable financing, both domestically and internationally.

With the Monterrey Consensus in 2002, the international community demonstrated its commitment to fulfilling the needs of the developing countries by investing in synergy and ensuring adequate and sustained financial resources for their development. We agree with the report of the Secretary-General that we have made only modest progress and that the implementation of those commitments and pledges is rather slow. We face the challenges of promoting rapid and sustainable growth in many countries. The benefits of development are yet to be distributed fairly.

The delegation of Nepal stresses that the Doha Conference should be utilized as an opportunity to learn from our experiences, take stock of the progress made, seek innovative sources of financing, and accelerate the implementation of commitments so as to ensure the achievement of the MDGs and other internationally agreed development goals.

The LDCs are still in the classical stage of underdevelopment, where they seriously lack capital formation and technological advancement. They find themselves in the vicious trap of a low level of equilibrium. That is further compounded by a low level of productivity and a paucity of physical and technological infrastructure. Together, a large majority of them continue to find themselves at the bottom of the development ladder, despite revolutionary changes in science and technology and the unprecedented level of globalization. The downside of globalization has been more prominent in those countries because of their high level of economic vulnerability. That, we believe, is a fundamental challenge to the global community. We must collectively deal with it in a spirit of partnership.

We are all aware that domestic efforts and domestic financing are crucial to the sustainable development of any country, but we strongly feel that a high and sustained level of external financing will be equally indispensable for getting swiftly out from under the crushing burden of poverty and underdevelopment. We have been made starkly aware by the current realities of the world; the continuation of such a situation is not sustainable and is a threat to international peace and security. We cannot indefinitely have islands of abundance and opulence in a sea of deprivation and marginalization.

Innovative ways and mechanisms must be explored and broadened to bolster development collaboration. My delegation stresses the need for an inclusive and equitable international economic and development framework that is responsive to the needs and concerns of the larger section of the international community.

As we are halfway towards achieving the MDGs, it has become clear that many targets will be difficult to meet, especially in the least developed countries. While securing the gains that we have made in some areas, we need coherent and focused attention on effectively mobilizing domestic and international resources for strengthening our capacity to achieve those goals, in which we lag behind.

It is a matter of concern that the unsustainable debt burden has had a negative impact on sustained growth in many poor countries. Finding a durable solution to debt problems and increasing additional resources for development should be the priorities of the international community. We are alarmed at the reduction in real terms of total development assistance, which was highlighted yesterday by the representatives of the World Bank, the International Monetary Fund and the United Nations Conference on Trade and Development, as well as by many delegations. When we talk about financing for development, we need to focus on scaling up development aid. Predictability and accessibility, moreover, are the keys to development.

We call for the full implementation of the Brussels Programme of Action for the LDCs. While we thank those development partners that have met the targets, we urge the developed countries to make real contributions by meeting the official development

assistance target of 0.2 per cent of gross national income to the LDCs.

Similarly, we need a holistic approach to deal with the myriad problems faced by the LDCs. When we all agree that trade could be an engine of growth, we must ensure the development dimension of the Doha Round of talks by enhancing the level of effective market access for their products, the removal of barriers to trade, productive capacity-development through the effective operationalization of the Aid for Trade Initiative, and the augmentation and swift disbursement of resources for the Integrated Framework programme of support for the LDCs. Without concerted efforts to mitigate the impact of global liberalization, there is a clear danger of mass unemployment and de-industrialization, especially in the least developed countries.

We hardly need to emphasize the role of international financial institutions, particularly the Bretton Woods institutions, in financing for development. Those institutions should develop coherent, consistent and concerted efforts to support the implementation of national development strategies, with the meaningful participation of developing and the least developed countries in the decision-making process of development cooperation.

In conclusion, sustainable financing for development is attainable if we act in concert and with seriousness and sincerity. Today's world has an abundance of resources, technology and knowledge that can easily meet the development needs of all countries. It is only a matter of synchronizing the requirements and availability. There is a need for a comprehensive and consolidated approach. Investment in the development of the world's poorest countries should be viewed as an investment in the long-term peace and security of the entire world. We look forward to a meaningful outcome of the Doha Conference in achieving a comprehensive and concerted strategy, together with a mechanism to review the commitment to the financing for development.

The President: I give the floor to His Excellency Mr. Axel Poniatowski, Chairman of the National Assembly Foreign Affairs Committee of France.

Mr. Poniatowski (France) (*spoke in French*): It is a great honour for me to have the opportunity to convey the French authorities' conviction of the importance of the High-level Dialogue on Financing for Development.

As the representative of Portugal stressed, speaking on behalf of the European Union, the Monterrey Consensus is the foundation of the global partnership for development. Its principal characteristics are a balance between reciprocal commitments, openness to all parties, and a willingness to go beyond divisions through a shared political resolve.

For some years now, globalization has been of concern to the developed countries and has forced them to question themselves. It has also raised hundreds of millions of the poorest people out of poverty and promoted an exceptional period of growth. At the same time, it has revealed certain imbalances and dysfunction, of which the tensions on the financial markets are a recent illustration. Moreover, many developing countries, particularly in Africa, have the reasonable sense of being subjected to globalization and excluded from its benefits. We must therefore respond to their concerns.

The long road to the achievement of the Millennium Development Goals justifies an unprecedented effort to honour the commitments we made at the major international conferences. That is why France is ready to support ail initiatives that will enhance the mobilization of the international community on behalf of those goals.

It is also up to us to keep our word. The States members of the European Union have demonstrated their resolve to make every effort to devote 0.7 per cent of their gross national income by 2015 to official development assistance. President Nicolas Sarkozy has committed himself, and France will therefore keep its promises. As with the launching of the International Drug Purchase Facility here in 2006, France will continue to campaign for innovative financing for development, which is an indispensable complement to official assistance and reflects a new form of international solidarity epitomized by the contribution on airline tickets, which some 30 countries have pledged to introduce.

We must now keep to our commitments. Accordingly, we hope that the Doha Conference will encourage the emergence of a consensus and lead to new progress towards the mechanisms that the

international community needs to meet the major challenges of health and climate.

Development is not just a matter of financing. It partakes of a shared responsibility requiring universal resolve in the context of a global partnership based on solidarity. Accordingly, it is up to the developing countries to act to end the infernal cycle of violence and ensure peace; to fight against the arbitrary, the frightening trafficking of drugs and corruption; and to create the conditions in which the energies of the private sector will be released. Likewise, the North-South partnership requires the link between migration and development to be taken into account based on an approach of common interests in which co-development has a place. Many countries have begun bold reforms in all those areas. I should like, on France's behalf, to pay tribute to them and to emphasize that their choices are all the more justified in that they respond first to the profound aspirations of their peoples.

Furthermore, the quality and effectiveness of assistance must become a reflex worthy of the goals of development. The Paris Declaration has no other objective than to translate into action the national appropriation of that idea, without which it is impossible to set the virtuous circle of development in motion. It is important that all donors, including the actors involved in South-South cooperation, apply its discipline.

It is naturally up to the United Nations to do its share of the effort. Almost a year ago, the High-level Panel on United Nations System-wide Coherence presented a series of proposals to enhance the effectiveness of the Organization's operational activities. Eight countries decided, in complete sovereignty, to experiment with the "united in action" concept, the main objective of which is to restore to the recipients of aid the power to decide their own priorities and to define with them the contribution expected from the United Nations system.

The success of that reform, which is in the interest of countries that depend on international aid for their development, is a test of the United Nations credibility. With the leadership of the Secretary-General and the mobilization of the entire system, it is our responsibility to provide intergovernmental support for common-sense measures.

The developing countries feel especially excluded from the benefits of globalization because their ability to make their voices heard in international bodies is inadequate. Accordingly, France resolutely supports indispensable reforms at the Bretton Woods institutions to make them more effective, better integrate them into collective international action, and have them take account of the legitimate aspirations of countries desiring to assume their responsibilities and duties. The new Director General of the International Monetary Fund will shortly be taking up the new duties that have been conferred on him in the wake of his message on reforms.

Lastly, France, through its President Nicolas Sarkozy, recently proposed that the G-8 continue its gradual transformation and ultimately evolve into a G13 so that closer cooperation can be implemented between the major emerging countries and the most industrialized. In that regard, the process of dialogue launched by Germany at Heiligendamm, which will deal specifically with development assistance, will be an important step.

It is clear that the task before us all is immense. The importance of what is at stake — the promotion of a more equitable international order with greater solidarity — justifies a high degree of ambition. The Monterrey Consensus remains as relevant as ever. It is up to us to see to it that the Doha Conference builds momentum for achieving the objectives that we collectively set and that are still current today.

The President: I give the floor to His Excellency The Honourable Mr. Loh Seng Kok, Member of the Parliament of Malaysia.

Mr. Loh (Malaysia): I would first like to thank you, Sir, for convening this meeting. I would also like to thank the Permanent Representatives of Egypt and Norway for their excellent work as the co-facilitators of this process and the Secretary-General for his reports. I would also at this stage like to associate myself with the statement made by the representative of Pakistan on behalf of the G77 and China.

This Dialogue is a valuable opportunity for us not only to take stock of the present situation relating to financing for development, but also to find ways to generate momentum on the subject as we approach the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus in Doha next year. In that

connection, the theme for this High-level Dialogue — "The Monterrey Consensus: status of implementation and tasks ahead" — is both timely and appropriate.

The Secretary-General's report clearly indicates that progress is slow in most, if not all areas of the Monterrey Consensus. But progress is slowest in perhaps the most important area of them all, the provision of official development assistance (ODA).

The worth of each civilization is measured by how it treats its weakest and most vulnerable members. In the present context, we must be measured by our actions to help those in the poorest countries. In practical terms, this means the level of financial assistance given. Using this measure, it is clear that we have failed the test of civilized behaviour, particularly when we compare the resources that we possess with what is required to lift the poor out of their plight.

If we are indeed to be thankful for small mercies, we should be gratified that compared with 2002, when ODA levels stood at 0.2 per cent, the figure rose to 0.33 per cent in 2005, when it stood at $106.5 billion. Unfortunately, however, we now know that much of the increase is accounted for by debt relief and technical and emergency assistance. Compounding the issue is the fact that the figure dropped to 0.3 per cent last year.

There is a need to put the whole issue of the quantum of ODA in perspective. I would therefore like to juxtapose the $106.5 billion given as ODA in 2005 with other figures, by way of comparison. First of all, the Millennium Project estimates that at least $150 billion is required annually if the Millennium Development Goals (MDGs) are to be achieved. As matters stand, it is unlikely that the MDGs will be realized, due in part to lack of financing. Secondly, in 2005, the net outward financial flows from the developing to the developed world totalled $533 billion. Thirdly, total global military spending during that year stood at $1.118 trillion, or 2.5 per cent of global gross domestic product — or $173 for each inhabitant of the world. The United States alone accounted for 48 per cent of military spending.

More important, discussions should not be confined to ODA alone. It is important to recall that the Monterrey Consensus embraced six areas in all, which included all of the issues related to financing and its relationship to development. Malaysia believes that the 2008 Review Conference must fundamentally assess and recommend measures related to the following issues. First of all, we need to understand the reasons for the non-implementation of the goals of the Monterrey Consensus, particularly in fulfilling ODA targets. We believe that the establishment of a monitoring mechanism to assess the level of ODA provided by the developed world will give impetus to these efforts. We note that this issue has been raised by the Group of 77 before and has failed to find consensus. However, given the urgency of the situation, we believe that further discussions on this are warranted. In essence, what is required is for these issues, which are currently being discussed in the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), to now also be taken up in the United Nations, perhaps by the Annual Ministerial Review or the Development Cooperation Forum of the Economic and Social Council.

Secondly, the increasingly complex interlinkage between finance and various new and emerging aspects of development must be examined. For example, if climate change is to be one of the main factors impacting development efforts in the future, it is essential that the Review Conference devote its attention to some of the key issues of this subject. One could usefully discuss international assistance to address not only adaptation issues, but also climate-related reconstruction and rehabilitation efforts.

Finally, in terms of new and innovative sources of financing for development, there is a need to evaluate various initiatives that have been launched during the past few years, and to use them as a basis for newer ones.

Having said this, it is essential to note, that given the wealth it possesses, the burden of responsibility for strengthening international efforts at financing for development must fall on the developed world. It must not be passed on to the so-called emerging donor nations — which is itself a vague and ambiguous term. In this connection, we believe that to the extent that the term is used, it should be confined to the non-DAC members of the OECD only.

That being said, Malaysia has not shied — and will not shy — away from our responsibilities to assist other developing countries. Within the context of South-South cooperation, our Malaysian Technical Cooperation Programme is a vehicle for sharing our

development experience, especially that gathered in specific areas in which we have strengths and experience. To date, 137 countries are beneficiaries of the Programme, compared to 46 in 1991. This demonstrates increased demand from Programme countries as well as Malaysia's greater willingness to assist.

Mr. Romero-Martínez (Honduras), Vice-President, took the Chair.

In conclusion, I would like to affirm Malaysia's full support for the objectives of the Monterrey Consensus. We therefore commit ourselves to working with the President of the General Assembly and with other delegations in ensuring that the Review Conference is a success. We would define success as having made strides in constructing an international financial structure that works for, not against, the developmental aspirations of the poorest.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Santosh Bagrobia, Member of Parliament, of India.

Mr. Bagrobia (India): We welcome this opportunity to participate in the High-level Dialogue of the General Assembly on Financing for Development. This meeting is particularly opportune in the light of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha in 2008.

Effective implementation of the commitments undertaken at Monterrey remains the weakest link, with commitments not being transformed into concrete action. This is particularly true of action with regard to systemic issues, which underpins progress in all other areas of the Monterrey Consensus. Real progress in implementing the Consensus has to involve a fundamental and comprehensive reform of the international financial and monetary architecture in order to address its democratic deficit, enhancing the voice and participation of developing countries in decision-making and norm-setting. Only then can we ensure a more conducive environment for addressing the challenges of financing for development. While a few steps have been taken, much more remains to be done.

Ensuring enhanced and predictable financial resource flows for developing countries in order to assist them in pursuing their development agenda is at the core of the Monterrey Consensus. Unfortunately, progress towards this basic objective has been limited. There is a clear recognition of the huge gap that exists between the resources required by developing countries to achieve internationally agreed development goals, including the Millennium Development Goals (MDGs), and the projected resource flows. This is compounded by the fact that actual resources flows are far less than commitments undertaken.

A case in point is official development assistance (ODA). While there has been an increase in private flows to some developing countries, the importance of and need for ODA cannot be overemphasized. Private sector inflows do not effectively reach social sectors or architecture projects and cannot eliminate the need for ODA or for the involvement of public sector investment. The impact of private flows on employment generation, which is recognized as an indispensable element of domestic resource mobilization, has also been marginal in many cases.

The Monterrey Consensus explicitly recognizes the role of the State, and of public investment, in socio-economic development. Last year's drop in ODA and projections of negative trends in future ODA flows are therefore matters of grave concern. It is estimated that ODA will taper off in 2007, and will not exceed 0.36 per cent by 2010. We believe that there is a need for a more robust and efficient monitoring mechanism to track ODA flows and the implementation of Goal 8 of the Millennium Development Goals.

The continuing and increasing flow of financial resources from developing countries to developed countries is another concern that we have been unable to address collectively. Furthermore, counting as aid debt relief that does not lead to freeing up resources for development on account of debt arrears is another flaw in the current system. We hope that the Development Cooperation Forum of the strengthened Economic and Social Council will take the lead in examining these important issues, including by undertaking a periodic review of the policies of the Bretton Woods institutions.

Enhancing trade is a crucial component in ensuring the sustainability of development. Developing countries still face severe market access restrictions. We reiterate the need for early and substantive progress at the Doha Round of trade negotiations, based on the primacy of the development dimension. It is illogical to

link the interests of subsistence farmers in developing countries with subsidized and trade-distorting agricultural practices in many developed countries, or with the issue of non-agricultural market access.

The overarching principles of less than full reciprocity and special and differential treatment remain categorical imperatives. In terms of putting these into practice, I am happy to reiterate that by the end of 2007, imports from least developed countries into India will face a zero-tariff regime.

Reforms of the international financial architecture should encompass trade financing, so that export-credit agencies and multilateral development banks act in a counter-cyclical manner. We also need both to stimulate new and innovative sources of financing and to ensure that they do not weaken the resolve of developed countries to meet their ODA targets and do not crowd out other forms of financing.

Despite the progress made by a few countries, the issue of external debt continues to pose significant challenges to developing countries, in particular to low-income and least developed countries. Hopes for releasing additional resources for development through debt cancellation have been realized only marginally, as many countries have debt arrears. The pace of debt relief initiatives has also been very slow, and the impact of past debt-constrained structural adjustment policies has not been overcome.

Moreover, debt relief measures have not holistically addressed underlying problems — covering the range of issues from the need for greater policy space towards inclusive economic growth, better terms of trade and greater access to markets and investment flows. We believe that new measures for debt restructuring and mechanisms such as an international debt commission overseen by the United Nations through the Economic and Social Council are required urgently to address the issue of the external debt of developing countries.

In conclusion, I would like to reiterate the importance of the effective implementation of the Monterrey Consensus. We hope that the 2008 Review Conference will focus on strengthening implementation and follow-up.

The Acting President (*spoke in Spanish*): I now give the floor to Mr. Jean-Marie Ehouzou, chairman of the delegation of Benin.

Mr. Ehouzou (Benin) (*spoke in French*): I have the honour to speak on behalf of the Group of African States.

The International Conference on Financing for Development, held at Monterrey in March 2002, resulted in the adoption of the Monterrey Consensus. The Consensus called for the mobilization of resources to finance and support the achievement of internationally agreed development goals, including the Millennium Development Goals (MDGs). It also called for the establishment of the necessary conditions to attract and sustain foreign investment and to produce greater trade liberalization, an easing of the debt burden and good governance at all levels.

The Monterrey Consensus identified steps to be taken to mobilize financial resources at the national and international levels, to use international trade as an engine of development, to strengthen international financial and technical cooperation for development, to reduce external debt and to rectify systemic problems in the international financial and economic architecture by strengthening the coherence of the international monetary, financial and trading systems in support of development and by promoting the equal representation of developing countries in the international decision-making process.

The Group of African States is pleased that we are meeting in plenary meeting of the General Assembly at such a high level for the third time in five years to discuss the issue of financing for development. Our debate is timely, as we are currently preparing for the international review of the implementation of the Monterrey Consensus, which is to take place in 2008 at Doha, Qatar. As we have said on many occasions, Africa has acknowledged the need to assume primary responsibility for finding solutions to its development challenges. Africa took practical steps in that regard when it adopted the New Partnership for Africa's Development (NEPAD) as the main framework to pursue sustainable development. We should strengthen it and provide it with substance. Nevertheless, we should also stress that sound domestic policies in Africa must enjoy adequate support from the international community.

African countries believe that the usual way of doing things has to date not been able to help them meet all their needs or to address their priorities in the areas of trade and development. Urgent steps should

therefore be taken to fill in those gaps — through financial measures and by developing and strengthening institutional and human capacities. With regard to countries emerging from conflict with little structural absorptive capacity, priority should be given to capacity-building.

It is important to ensure that the aid flows destined for African countries are sufficient, reliable and predictable and capable of stimulating the financing of investment programmes, particularly in the area of infrastructure. The provision of aid should be channelled through mechanisms that are flexible and adaptable to the specific situation of each country. Moreover, it is our view that aid can be made more effective by better aligning aid programmes with the development priorities of the recipient countries and by more closely harmonizing the policies and practices of development partners, since this can result in lower transaction costs and make ODA more effective.

Developed countries must therefore live up to their pledges; those countries that have yet to achieve the long-standing target of 0.7 per cent of their gross national income as official development assistance, with 0.15 to 0.2 per cent allocated to the least developed countries, must fulfil their commitments in order to maintain their credibility.

For their part, the developing countries receiving assistance must continue their efforts to establish an effective, fair and stable institutional framework, in order to strengthen the rule of law and to promote all internationally recognized human rights. Good governance means favouring a properly functioning, transparent government, accountable to its people and permitting the poorest, notably through promoting social integration, to increase their participation in political life and processes.

Africa needs genuine partnership in order to overcome its numerous challenges and problems. Among other measures, it needs international market access for its products and investments that generate resources in order to be able to meet the Millennium Development Goals.

For the international community to make globalization work for Africa and for trade to truly serve as the engine for economic growth, it is important and urgent that it works towards a multilateral, rule-based, open, non-discriminatory and equitable trading system. In this regard, the negotiations on the Doha Development Agenda should conclude with outcomes that facilitate development and allow for the elimination of unfair trade subsidies given by developed countries to their producers, particularly in agriculture.

In addition, African countries' efforts at restructuring, diversifying and strengthening the competitiveness of their commodity sectors, including through local processing, should be supported, in particular by enhanced market access on a secure and predictable basis, adequate technical and financial assistance and the strengthening of institutional capacities.

With regard to the thorny issue of debt repayment, African countries have insistently and repeatedly called for a 100 per cent cancellation of their debts and for the adoption of a negotiated framework that mitigates risks and prevents the recurrence of serious fiscal and financial crises due to heavy indebtedness.

Finally, African countries are concerned over the lack of concrete results in the discussions on improving the governance and coherence of international monetary, financial and commercial systems, as well as on increasing the participation of developing countries in the international discussions and decision-making processes, especially within the World Bank and the International Monetary Fund. We truly hope to be heard on these points because the appeals put forth yesterday by these two institutions deeply affected us.

The African Group takes this opportunity again to remind all parties of the need to abide by commitments undertaken and to do so in a spirit of partnership, responsibility and mutual interdependence.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. John McNee, chairman of the delegation of Canada.

Mr. McNee (Canada): I have the honour to speak today on behalf of Australia, New Zealand and Canada to express our support for the ongoing dialogue on financing for development. I would also like to make it clear that an election has been called in Australia and the Government there is currently operating under caretaker provisions. This debate will provide us all with a welcome opportunity to share ideas on how countries can take advantage of all sources of financing

in order to meet their development objectives and reach the Millennium Development Goals (MDGs).

Recent efforts by many Member States, including Canada, Australia and New Zealand, have galvanized international efforts towards meeting the MDGs. Development, though, as we all know, is a long and difficult path. It is only in partnership with all stakeholders that the international community will have a success story to tell. We are committed to supporting this effort and reiterate our support of the MDG declaration and its goals.

Five years ago, the international community came together in Monterrey and agreed to a set of principles to assist countries' development efforts. Those principles, embodied by the Monterrey Consensus, are an explicit recognition that aid alone is insufficient to meet internationally agreed development goals. Progress towards meeting these goals requires an integrated approach that mobilizes all sources of financing, including trade liberalization, official development assistance (ODA), debt relief, foreign direct investment, remittances and domestic financing.

Since Monterrey, we have also joined other complementary efforts to examine approaches for improving the coherence of overall aid effectiveness, including through our endorsement of the Paris Declaration on Aid Effectiveness. We look forward to a full discussion of these and other issues during today's stakeholder round tables.

An enabling domestic environment is also crucial for mobilizing financing for development. Such an enabling environment should be able to attract, retain and effectively use all sources of financing, including taxes, investment, trade, ODA and remittances. Moreover, good governance and concrete efforts to reduce corruption are required to ensure that scarce financial resources are used effectively and appropriately to fight hunger, poverty and disease.

Trade liberalization is an important driver for development. We stress the need for achieving an ambitious, balanced and comprehensive agreement on the Doha Development Agenda, which would enhance global trade significantly, especially among and between developed and developing countries and, at the same time, reinforce multilateral trade rules. Canada, Australia and New Zealand remain fully committed to the development dimension of the Doha Development Agenda, promoting progressive trade liberalization, helping developing countries integrate better into the multilateral trading system and providing support to the poorest countries. This will enable them to benefit from the significant opportunities offered by globalization. We also continue to support special and differential treatment for developing countries, and place strong emphasis on the role of trade-related technical assistance and capacity-building to address the needs of developing countries.

In the past, unsustainable debt burdens have constrained the ability of countries to allocate sufficient resources to their development objectives. Efforts by the international community, including financial institutions, have assisted the most heavily indebted poor countries to escape from that burden. We must work together to ensure that countries benefiting from debt relief are able to avoid the trap of unmanageable debt burdens. It is also important that lending frameworks of financial institutions be sound and that the fiscal and debt-management capacity of developing countries continue to be improved. The transparent exchange of information between creditors and improved coordination based on existing mechanisms are also important steps for ensuring long-term debt sustainability, as well as economic and financial stability.

(*spoke in French*)

Since Monterrey, developing countries and donors have also worked together in a spirit of partnership to improve the coherence and effectiveness of development assistance in order to better support national efforts to fight poverty. Such efforts are underpinned by the principles and commitments set out in the Paris Declaration on Aid Effectiveness. The third High-level Forum on Aid Effectiveness, to be held in Accra next year, shortly before the Doha meeting, will be a good opportunity to take stock of our progress, address some outstanding challenges, and enrich the Paris framework as a reference point for improving the effectiveness of development assistance.

The Monterrey Consensus remains a strong, internationally agreed framework for promoting development cooperation and poverty reduction. We see no need to reconsider those principles, as they have served us well. When we meet in Doha in the second half of 2008, the international community should take advantage of the opportunity to share best practices

and lessons learned, identify challenges that have emerged, and consider means by which to overcome them.

If Doha 2008 is to be a success, all relevant stakeholders, including civil society organizations and the private sector, should be encouraged to participate actively in both the preparatory process and in the review Conference itself. In conclusion, the challenges for development are enormous; let us therefore work together to ensure that Doha 2008 produces real results.

The Acting President (*spoke in Spanish*): I call on His Excellency Mr. Eduardo Gálvez, chairman of the delegation of Chile, who will speak on behalf of the Rio Group.

Mr. Gálvez (Chile) (*spoke in Spanish*): At their nineteenth summit, held in Guyana on 2 and 3 March, the heads of State and Government of the Rio Group — comprised of Argentina, Belize, Bolivia, Brazil, Colombia, Costa Rica, Chile, the Dominican Republic, Guyana, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and the Bolivarian Republic of Venezuela — reaffirmed their willingness to continue to promote the coordinated implementation of the series of measures agreed in the Monterrey Consensus on financing for development, including the development of new and innovative sources of financing, taking into account the review process scheduled for 2008 in Doha, Qatar. To that end, they decided to establish a working group to define the position of the Rio Group at that Conference. With that mandate, it was decided that Chile would coordinate the working group, and it is in that capacity that I address the General Assembly.

We welcome the organization of this High-level Dialogue on Financing for Development. This is an extremely important topic for the countries of the Rio Group, which met as a working group in Santiago in September and at United Nations Headquarters in New York last Friday. Those meetings provided a good opportunity for experts and officials of the Rio Group member countries to reflect on the national, international and systemic topics addressed in the Monterrey Consensus with a view to contributing to the work to be done by the international community to ensure the success of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus.

As its first contribution, our Group submits to this General Assembly the following position statement of the Rio Group.

First, the Rio Group is grateful to the President of the General Assembly for convening the High-level Dialogue on Financing for Development within the framework of preparations for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha in the second half of 2008.

Second, the Rio Group hopes that the debates, both in plenary and at the six round tables during this Dialogue, will provide a useful input to guide the continuing preparatory process for the Doha Conference.

Third, the Rio Group believes that the preparatory process for Doha 2008 should be open to participation by all stakeholders directly or indirectly involved in financing for development, including States, international financial institutions, relevant bodies of the United Nations system, and other international regional and subregional agencies, as well as civil society and the private sector.

Fourth, the Group believes that the components of the Monterrey Consensus concerning national, international and systemic development financing issues should be dealt with in the preparatory process, with the possibility of including important new questions. It also stresses the need for the Follow-up International Conference to assess progress made, reaffirm goals and commitments, share best practices and lessons learned, and identify obstacles and constraints encountered, and actions and initiatives to overcome them, as indicated in paragraph 3 of resolution 61/191. The Group hopes that the discussion of the draft resolution on conference arrangements and other substantive aspects will commence as soon as possible so as to allow proper preparation by the various stakeholders.

Fifth, the Rio Group recognizes that each country is responsible for its own economic and social development. In that context, the members of the Group have taken action, adopted policies and implemented national development plans that are geared to the mobilization of our domestic resources and growth-oriented.

Sixth, the Group also recognizes that national development initiatives must be complemented by multilateral support programmes, measures and policies designed to expand our countries' development opportunities, as well as to strengthen international cooperation.

Seventh, in addition, the Rio Group stresses the importance of continued support for middle-income countries, including landlocked developing countries, in their poverty relief efforts. It invites the international community to consider additional, more effective criteria for assistance to middle-income countries and the implementation of new and innovative mechanisms for extending to them the more focused cooperation required to eliminate pressure and consolidate the advances achieved to date.

Eighth, the Group emphasizes that the 2008 Doha Conference should not only recommit to implementation of the Monterrey Consensus, but also review the progress made since 2002. That includes the launching of successful specific initiatives involving innovative financing mechanisms adopted in the region, which are designed not to replace but to complement official development assistance.

Ninth, citing the "spirit of Monterrey" as an example of the willingness of the international community to find avenues for achieving progress together in the quest for development for all, the Group stresses that any other high-level events and international initiatives related to the topic of development and the elimination of poverty should be appropriately coordinated with the preparatory process for the Doha Conference.

Tenth, the Rio Group reaffirms its commitment to strengthening the follow-up to the implementation of the Monterrey Consensus and emphasizes the importance of using all of the institutional mechanisms for effective follow-up to the International Conference on Financing for Development. The Group reiterates its interest in enhanced follow-up and has a flexible attitude towards the possibility of reviewing the effectiveness of existing follow-up mechanisms and towards the study and identification of concrete proposals that may promote this goal. The Group considers that the High-level Dialogues of the General Assembly and the Economic and Social Council, the new Development Cooperation Forum (DCF) and Annual Ministerial Review of the Economic and Social Council, as well as the work of Committee of Experts on International Cooperation in Tax Matters, should contribute not only to the follow-up but also to the establishment and strengthening of associations and international cooperation to guarantee resource mobilization at the national and international levels. Their effective use should promote the achievement of socially inclusive development.

Eleventh, the Rio Group reiterates the importance of enhancing the gender perspective in the follow-up to the International Conference on Financing for Development and on the implementation of the Monterrey Consensus.

Finally, the Group wishes to offer its support and cooperation to the Facilitators designated by the President of the General Assembly for all issues related to the International Conference on Financing for Development, Ambassador Maged Abdelaziz of Egypt and Ambassador Johan Løvald of Norway.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Alejandro Wolff, chairman of the delegation of the United States of America.

Mr. Wolff (United States of America): I am very pleased to represent the United States at this important dialogue today. In his remarks at the International Conference on Financing for Development in March 2002, President Bush spoke clearly about the United States commitment to bring hope and opportunity to the world's poorest people. He called for a new compact for development defined by greater accountability for rich and poor nations alike and pledged to increase our core development assistance by 50 per cent over three years. As we launch a review of the Monterrey Consensus, it is fair to ask if we have delivered on that compact. How can we improve our joint efforts to draw even more developing countries into the expanding global tide of economic growth, democracy and social progress?

Looking back, one important point seems very clear — the power of the ideas in the Consensus document has sparked a wave of reforms and initiatives, both domestic and international, aimed at tapping all the potential resources and sources of financing needed to fuel development. Today, there are serious initiatives under way in all areas of the Monterrey Consensus. Let me list just a few of these.

First, since 2002, dozens of developing countries at all income levels have enacted tough reforms to stabilize their economies, liberalize their trading regimes and improve their business climates, which has unlocked substantial new private sources of financing for development.

Secondly, during the same period, donors have substantially raised the volume of development assistance, from approximately $58 billion in 2002 to $104 billion in 2006. Under President Bush's leadership, the United States has more than doubled our assistance since 2002 to $23.5 billion in 2006, far exceeding our national pledge.

Thirdly, as called for in the Monterrey Consensus, donors are working together to improve the effectiveness of aid under the Paris Declaration process.

Fourthly, the United Nations Economic and Social Council has launched two important new discussion forums, the Annual Ministerial Review and the Development Cooperation Forum.

Finally, debt relief has accelerated greatly since Monterrey. The Multilateral Debt Relief Initiative (MDRI) has already provided nearly $42 billion in debt forgiveness. This amount is in addition to the nearly $45 billion in bilateral debt relief provided to 31 countries under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative.

Five and a half years after 2002, it is very clear that this wave of reforms, initiatives and greater resources has brought significant results. The world as a whole is on track to reach our goal of cutting poverty by half by 2015. Many developing countries have made substantial improvements in their macroeconomic management, and trade liberalization is paying dividends, as merchandise trade continues to grow. Exports from sub-Saharan Africa increased 23 per cent in 2006, faster than the global rate of 16 per cent. Private financial flows to developing countries have also grown substantially since Monterrey, to reach $571 billion in 2006. Annual growth in per capita income in low income countries averaged four per cent in the first five years of the new millennium, before climbing to almost six per cent in 2006.

Despite these successes, our job is far from finished. Some of the world's poorest countries have not kept pace and may not meet our shared commitment to the internationally agreed Millennium Development Goals (MDGs). Many countries have not done enough to foster domestic resource mobilization or attract private capital flows. Donors certainly need to do more to improve the effectiveness of our aid.

Many participants in this forum have referred to the "spirit of Monterrey", the sense of shared commitment and determination that underpinned the success of the International Conference of the Financing for Development. One of the major challenges we jointly face will be finding a way to recapture this spirit, so that the Doha review conference has the best possible chance of success.

Let me close by offering a few suggestions on how, together, we might do this. First, the Monterrey process was strongly grounded in real-world problems and solutions, and relied heavily on expert advice. We should follow this strategy again. As a first step, the Secretariat should generate more detailed data on the hundreds of billions of dollars in capital flows to and from developing countries, both official and private, as well as on their domestic policy mixes.

Secondly, we should focus on how to move forward within the very large areas of consensus in the 2002 Monterrey outcome document, and avoid being distracted by peripheral debates or issues being negotiated in other forums.

Thirdly, we need to devote special attention to how the United Nations system can assist those countries that, for whatever reason, have not been able to take advantage of the promise of Monterrey.

Finally, we should look more closely at the important new challenges and issues that have grown in importance since Monterrey, such as public-private partnerships, the power of the private sector and entrepreneurship, and the special role of microfinance in developing countries.

The United States looks forward to working very closely over the year ahead in the spirit of Monterrey with both our developed and our developing country partners.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Memduh Aslan Akçay, Director General, Foreign Economic Relations, Under secretariat of Treasury of Turkey.

Mr. Akçay (Turkey): My delegation has aligned itself with the statement delivered by the representative of Portugal on behalf of the European Union. That being said, I would like to expound on a few points regarding financing for development.

As is known, we are halfway to the deadline for achieving the MDGs and closing in on the Review Conference on the implementation of the Monterrey Consensus, which will be held in Doha at the end of next year. The Doha Conference will provide a good opportunity to re-evaluate needs and actions in our global response to the challenges of financing for development. I would like to share some of our experiences, implementations and efforts for reaching a fully inclusive and equitable global economic system with the aim of reducing poverty through growth.

Since 2002, there has been tangible progress in fulfilling the commitments set out in the Monterrey Consensus, especially in the fields of creating domestic governance structures conducive to investment, mobilizing foreign direct investment (FDI) and addressing the issues of external debt and official development assistance (ODA). However, we, as the global community, are aware that much remains to be done.

Development aid, debt relief and free trade are generally viewed as essential components of development. However, as experience has taught us, sole reliance on development aid does not bring about sustainable development in the long term. In this respect, in the short term, the efforts of both developed and developing countries should focus on fulfilling aid-related commitments. Keeping the development engine running by making concrete contributions to capacity-building is of the utmost importance. In the long run, consolidating existing efforts towards a more representative system of global economic architecture and creating a more accessible international trade regime will gain significance. Yet, in each of our steps we should pay due respect to mutual accountability and transparency.

We actively participate in international efforts aimed at the eradication of poverty. We consider official development assistance to be one of the main tools in reinforcing the development efforts of developing countries. Turkey itself is a developing country, and the ODA it provides to that end has been steadily increasing over recent years. ODA that we have provided reached $601 million in 2005 and currently stands at $750 million, 0.18 per cent of our gross national product (GNP). It is worthwhile to note that Turkey has become an emerging donor for Africa. Moreover, we exert every effort to contribute to social development in the fields of human rights, children's issues and the promotion of the status of women.

At present, the Turkish International Cooperation and Development Agency is carrying out hundreds of projects in partner countries from Central Asia to the Balkans, from the Middle East to Africa, and from the Asia-Pacific region to Latin America and the Caribbean. With 22 field offices, it contributes to the development of many countries in various regions. These projects have already started to make a positive impact. For this reason, a fund of $15 million was allocated for the implementation of projects through the Turkish International Cooperation and Development Agency in least developed countries, landlocked developing countries and small island developing States.

Let me inform the Assembly about our efforts with regard to international development issues. As a party to the Millennium Declaration, the Monterrey Consensus and the Paris Declaration on Aid Effectiveness, we have been active in concrete policy actions in financing for development. In this vein, it is a great pleasure for me to state that Turkey is now a global provider of significant humanitarian and technical aid. For instance, in 2005 we provided funds and assistance in kind amounting to more than $232 million to 25 countries on various continents. That figure does not include the aid provided by Turkish non-governmental organizations.

The economic outlook of the least developed countries (LDCs) is of special importance in terms of achieving internationally agreed development goals. We have to bear in mind that improving the living conditions of over 600 million people residing in LDCs is a litmus test for making poverty history. In line with this conviction, we appreciate and support the efforts exerted by LDCs and development partners, including international organizations.

As a manifestation of our contribution to global development efforts, especially for the LDCs, we hosted the annual ministerial conference on Making Globalization Work for the Least Developed Countries, from 9 to 11 July 2007. At the conference we pledged

an additional $5 million to finance small and medium-scale regional development projects in the LDCs.

On the other hand, fully cognizant of the fact that international trade is vital for the development of LDCs, we attribute great importance to the development of bilateral commercial relations with those countries. We are willing to provide assistance and to cooperate in the fields of agriculture, health, the environment and good governance. Funnelling Turkish investment to LDCs constitutes another aspect of our policy. Furthermore, we promote the establishment of joint business councils and chambers of commerce.

The United Nations was established to ensure global peace and security. Economic growth and development play a significant role in reaching the lofty goals for which the United Nations stands. Turkey, as a country generating peace, stability and welfare in its region and beyond, is an active supporter of activities of the United Nations in all spheres.

In conclusion, I would like, on behalf of my country, to avail myself of this opportunity to praise the President of the General Assembly, Mr. Srgjan Kerim, and the Secretary-General, Mr. Ban Ki-moon, whose able leadership and wisdom successfully guided members in organizing this event. This event is a significant step in reaching the overarching goal of making poverty history.

The Acting President (*spoke in Spanish*): I now give the floor to Her Excellency Ms. Irene Freudenschuss-Reichl, Director-General of the Department for Development Cooperation of Austria.

Ms. Freudenschuss-Reichl (Austria): At the outset, I should like to support wholeheartedly the statement delivered by the representative of Portugal on behalf of the European Union (EU).

Since the International Conference on Financing for Development, held in Monterrey, Mexico, in 2002, a number of important developments have occurred. I should like to reflect briefly on some of those developments and to draw from them some questions regarding the lead-up to the 2008 Doha Conference.

First, the 2005 World Summit witnessed a commitment by the European Union and its Member States to a significant scaling up of official development assistance (ODA). Austria is fully committed to that scaling up. I am happy to report that we have significantly surpassed the target set for 2006, which was to bring ODA up to at least 0.33 per cent of gross national income. Development Assistance Committee (DAC) figures show that Austria reached 0.51 per cent in 2005 and 0.48 per cent in 2006; we anticipate similar figures for 2007 and 2008. In its programme for the twenty-third legislative period, the Austrian Government strongly reiterated, in January 2007, its commitment to reach 0.51 per cent of ODA by 2010. For 2015, the EU target is 0.7 per cent.

In order to maintain support from our taxpayers for the significant increases that will be required to reach the EU targets, it will be important that other donors scale up their efforts in comparable ways and that we continue to improve aid effectiveness.

The Paris Declaration on Aid Effectiveness, adopted in 2005, which Austria strongly supports, captures the consensus of the donor community and partner countries on how development assistance can become more effectively supportive of partner countries' development plans and strategies, inter alia by promoting direct budget support.

As more donors move to use the modality of direct budget support — and Austria is moving in that direction with due caution and sensitivity as well — it becomes apparent how severely dependent many partner countries' national budgets are on external financing. This, in my view, reduces the scope for national ownership, which we have all recognized as irreplaceable. My second point, therefore, is that more emphasis needs to be placed on strengthening the public finances of partner countries.

Important non-governmental organizations have issued a call to the Assembly to place greater focus on more effective cooperation on tax and fiscal matters. In my view, their advice bears scrutiny.

My third point is that, since Monterrey, the hopes placed in the Doha Development Round have not yet come to fruition. In the context of the Cotonou relationship between the European Union and the group of African, Caribbean and Pacific States, important negotiations are moving towards finalization on Economic Partnership Agreements. Austria has consistently advocated a strong developmental content for these Agreements and is committed to supporting them as tools to promote development.

Fourthly, growing conceptual clarity has emerged since Monterrey on the role of global public goods and

their relationship with development objectives. This issue may well warrant attention at the 2008 Doha Conference on Financing for Development.

My fifth point is about the nexus of development and security, which is increasingly seen as crucial for achieving sustainable gains, both in terms of freedom from fear and freedom from want. The reform summit of 2005 acknowledged the importance of this nexus, inter alia, by establishing the Peacebuilding Commission. The international community is directing considerable financial flows towards a significant number of developing countries by means of complex missions and is increasingly concerned with State fragility and how to prevent it. It can only be beneficial to the international community and the countries concerned to deepen our insights on how to maximize the developmental impact of complex missions by using all the available leverage, be it procurement procedures that stimulate the local economy or other best practices that can be distilled from experience.

My sixth point is that awareness about the importance of drawing on the wisdom, resilience and capacities of women is growing in all areas pertaining to international cooperation. The Monterrey Consensus is not explicit on issues of gender mainstreaming, yet, the ways in which financing is generated and used for development and the opportunities for women to participate in issues of development financing — from access to microcredits to the elaboration of national poverty reduction strategies to the parliamentary oversight of national budgets — may well have a significant impact on the results achieved. Perhaps this, too, is an area where Doha could make progress.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Carlos Jativa, Director-General of the Institute for International Cooperation of Ecuador.

Mr. Jativa (Ecuador) (*spoke in Spanish*): I would like to thank the presidency of the General Assembly and associate myself with the statements made by the representatives of Pakistan and Chile.

The delegation of Ecuador believes that, while there have been several important points of progress in the Monterrey Consensus, there are other commitments that are far from being guaranteed; such is also the case with the Millennium Development Goals (MDGs). In both cases, the availability, quality and use of resources make up one of the main impediments, as can be read from the various reports of the Secretary-General.

In spite of the fact that the worldwide volume of official development assistance (ODA) has increased, reaching its peak in 2005, the proportion of ODA for the Latin American region has decreased. Furthermore, there persists in considering aid flows the expenses linked to assistance to refugees and to the alleviation of the external debt, to which are added expenses which are merely bureaucratic and administrative in nature. ODA has favoured conflict and post-conflict situations and has responded to commercial interests.

In this framework, the middle-income countries have gained special attention, being the subject of two conferences in Madrid and San Salvador this year. This confirms the reality of the situation in a world, where our countries represent more than 47 per cent of the world's population and where 41 per cent of the poor people live on less than $2 a day. In the case of Latin America, poverty subsists at more than 95 per cent in the middle-income countries.

This is why Ecuador has expressed its concern regarding the priority application of macroeconomic criteria, especially the per capita gross domestic product (GDP), which has become an adverse factor for qualification for ODA. This has marginalized other measuring instruments, including human development indices, and it ignores the enormous inequalities that exist within our countries, which are the main barrier to economic development and equality.

That is the reason we have promoted an active policy for development cooperation with middle-income countries, in line with the objectives set out in the Monterrey Consensus, which means new resources and coherent policies at the global level for economic, financial and commercial matters.

Similarly, it is imperative that we abandon rigid ranking criteria and move towards a more flexible strategy, with clear guidance for the more homogeneous groups of developing countries. In this same context, we should look for South-South cooperation, triangular cooperation — making viable the former — and cooperative efforts of our countries with regional integration mechanisms.

After rejecting the mistaken notions of neo-liberalism on the role of the State, Ecuador has recovered its planning as a tool for public management.

We have our National Development Plan, which is a dynamic tool for public harmonization of our system for planning, budgeting and evaluation. The plan has 12 human development objectives, through which we hope to follow the paradigm of well-being.

In order to achieve all this, we advocate a sound, balanced policy, beginning with the National Development Plan, with its strategies, mechanisms and indicators subject to examination by civil society. In finance, the people's revolutionary Government of President Rafael Correa has transformed the allocation of the budget towards the priorities of development, especially in the fields of health, education and social welfare, with public institutions duly reformed and strengthened.

Less than one month ago, we held a historic election of 130 members of our Constituent National Assembly, under the aegis of a transparent process that is fully democratic. Beyond just a new Constitution, the Ecuadorian people seek to redefine the role of the State and its institutions, as well to lay the basis for a truly democratic system, dedicated to good governance, which will in turn have very important consequences for international cooperation.

On this basis, we believe that ODA should be based on five criteria — flexibility in planning matters, predictability in terms of amounts and means of implementation, in accordance with budgeting programmes; support for the essential task of overcoming poverty and inequality; the construction of an association of partners with a focus on shared responsibility; and the appropriation of major resources for development priorities and for strengthening national capacities.

With regard to the necessary and compulsory reform of the international financial institutions, which are still fledgling and limited, a group of South American countries, including Ecuador, have taken the initiative to set up with the next few days the Bank of the South. It will be called upon to support its members in the achievement of development with a human face, as well as to provide financial assistance, under fair and equal conditions, in order to eliminate poverty and achieve results.

Ecuador welcomes the innovative forms of financing for development and takes this opportunity to stress the approach promoted by the President of Ecuador here at this Assembly on 26 September. He brought a specific and original proposal to contribute to reducing carbon dioxide emissions and to environmental protection in one of the most biodiverse areas of the world through a project known as Yasuní-ITT. He announced that Ecuador would be willing to make the tremendous sacrifice of forgoing an annual investment of approximately $720 million from oil extraction in return for the assumption of co-responsibility by the international community, and the developed countries in particular, via minimum compensation for the environmental property being preserved, which is one of the most valuable public properties on the planet.

In our view, that would set an extraordinary example of collective action at the global level. The implementation of the project will not only reduce global warming, to the benefit of all, but also launch a new economic logic for the twenty-first century that compensates the generation of value and not merely commodities.

I conclude by reaffirming that proposal and ask everyone to consider, in the Monterrey spirit, new modalities for international cooperation whereby the meaning of official development assistance would embrace complementarity, co-responsibility and solidarity with the objectives of human development, as well as the concept of foreign assistance based on national priorities defined by its beneficiaries and propelled by the stimulus and mobilizing power of the United Nations.

The Acting President (*spoke in Spanish*): I give the floor to His Excellency Mr. Yukio Takasu, chairman of the delegation of Japan.

Mr. Takasu (Japan): I thank the President of the General Assembly for convening the High-level Dialogue on Financing for Development. This is an extremely important issue for all of us.

In implementing financing for development, it is important to take stock of the progress that has been made in the efforts to achieve development, in particular the implementation of the Millennium Development Goals (MDGs). The most recent report on the MDGs shows that considerable advances are being made towards several targets. Extreme poverty, for instance, is declining in East and South Asia.

However, at the current rate of progress, it would be difficult for sub-Saharan countries to achieve any of

the Goals by 2015. Without solving the challenges facing Africa, the world cannot enjoy stability and prosperity in the twenty-first century, which are the very objectives and imperatives of development itself.

Japan will therefore continue to make African development its highest priority. We will host the fourth Tokyo International Conference on African Development (TICAD IV) next May, together with the United Nations, the United Nations Development Programme and the World Bank. Japan hopes that TICAD IV will further mobilize the knowledge, experience and, above all, resources of the international community for African development, and thus contribute to African countries' efforts to fully advance and meet the MDGs.

Many commitments on development funding have been made since the 2002 Monterrey Conference. What is most important now is to put commitments into action. Japan, despite severe financial constraints, is striving to meet its commitment to increase its official development assistance (ODA) volume by $10 billion in aggregate between 2005 and 2009, and to double its ODA to Africa between 2005 and the end of this year. We are making every effort to honour that commitment.

In order to achieve the MDGs, the amount of resources and funding for development available from public and various areas of the private sector is important. There is no doubt about that, but it is equally important that those resources be utilized effectively for the purpose intended. Resources for development should be used to meet first the urgent human security needs of individuals and communities. Resources should also be used to build the human and institutional capacity necessary for developing countries to exercise ownership of their sustainable development. I cannot overstate the importance of individual and institutional capacity-building for enabling developing countries to maximize the use of the domestic and external resources made available to them.

Capacity development is one of the core pillars of Japan's assistance policy. We believe from our own historical experience that nation-building and national development are, after all, people-building. Japan attaches high importance to transferring the knowledge and skills necessary for national development through vocational training, technical advisory services, other technical cooperation programmes and student exchange.

The Monterrey Consensus calls for the promotion of international trade as an engine for development, as many speakers have emphasized before me. To that end, Japan has extended duty-free and quota-free treatment to the least developed countries and promoted a very interesting programme — the so-called One Village, One Product campaign — which has boosted exports in many developing countries, including Ghana, Thailand and Malawi, to name but a few.

Foreign direct investment is another essential engine for development that brings capital and technology and creates employment. To help developing countries to create a favourable climate for investment, Japan is taking a multi-layered approach that includes capacity and infrastructure development, as well as bilateral investment treaties and economic partnership agreements.

Synergies between various types of private capital and official development assistance are also important, and private enterprises should be encouraged to engage in activities that contribute to the sustainable economic growth of developing countries. There are many good examples in that regard.

The dramatic rise in trade and investment among Southern countries has major implications for development financing. Japan has long advocated and implemented so-called South-South cooperation projects because we believe that this type of partnership enhances ownership of emerging donors and recipient countries alike.

As we approach the midpoint to the 2015 target, developed and developing countries alike should redouble their efforts to achieve the MDGs. Japan will use the valuable opportunity provided by its presidency of the G-8 next year to ensure that the outcomes of TICAD IV are duly reflected in the agenda of next July's Hokkaido Toyako summit meeting. We will continue to work constructively with our development partners, including African countries, to contribute to the achievement of the MDGs and other international development goals.

The Acting President (*spoke in Spanish*): I call on His Excellency Mr. Abdullah Ahmed Mohamed Al-Murad, chairman of the delegation of Kuwait.

Mr. Al-Murad (Kuwait) (*spoke in Arabic*): My country's delegation is pleased to participate in this High-level Dialogue for the implementation of the outcome of the International Conference on Financing for Development. I would like to express our support for the statement delivered by the Minister of Economic Affairs of Pakistan on behalf of the Group of 77 and China.

Five years have elapsed since the convening of the International Conference on Financing for Development in Monterrey, Mexico. However, the follow-up reports of the Secretary-General over the years since the adoption of the Monterrey Consensus have reflected a mixed bag of achievements and failures. Despite his reference to the current situation of the world economy as one that provides an opportunity to take measures based on a long-term view, carry out reforms on the local and international levels, and achieve wide-ranging economic growth, sustainable development and social progress, the challenges and dangers to international peace and security — such as poverty, hunger, the spread of dangerous and infectious diseases, the deterioration of the environment and the vulnerability of the economic systems of numerous developing countries — are still present and threatening.

Not only is it regrettable to see poverty, hunger and disease persist in developing countries; it is also painful to see more than half of the world's population living on under two dollars a day. This situation requires serious consideration and review of the impediments to development in the developing world. Here, the State of Kuwait calls upon the World Trade Organization (WTO) and the Bretton Woods institutions to reduce restrictions on exports of developing countries, to fairly take into account the concerns and circumstances of those countries and to establish an international trading system that is more just and equitable for poor countries, in particular the least developed countries (LDCs).

On the basis of Kuwait's firm belief in human values and international solidarity, since independence we have carried out a generous programme of assistance to developing countries. The Kuwait Fund for Economic Development was established in 1961; since then it has financed hundreds of infrastructure projects in over 100 countries, valued at more than $12 billion, thus more than doubling the internationally agreed percentage of gross national income slated for development assistance.

The State of Kuwait is also committed to providing annual voluntary contributions to numerous international specialized agencies, regional organizations and funds, and has recently appropriated $300 million for the Islamic Development Bank to help eradicate poverty in Africa, in addition to its numerous donations and humanitarian and relief aid to many countries ravaged by natural disasters.

The State of Kuwait attaches great importance to collective, coordinated national, regional and international efforts that would enable us to overcome the problems that impede the achievement of development goals. Many developing countries are far from achieving those goals due to poor infrastructure, a lack of adequate financing, sufficient expertise and modern technology, and exclusion from the full benefits of globalization.

In this connection, developed countries must support the economic structures of developing countries and fulfil their commitments to provide adequate financial and technological assistance and to reach the level of 0.7 per cent of gross national income for official development assistance (ODA). Furthermore, this aid should be provided within the framework of supporting national strategies adopted by developing countries themselves.

We wish to express our appreciation for the serious efforts by some developed nations to reach the internationally agreed level for development assistance; we also value the efforts by many developing countries to apply the concepts of good governance and the rule of law, combat corruption and ensure transparency, in order to establish democracy. All of this can have an immediate and direct impact in terms of achieving security, stability and sustainable development.

My country's delegation appreciates the initiatives of the Group of Eight industrialized countries and of the European Union to forgive the debts of the poorest countries. We hope that continued efforts in that direction will alleviate developing countries' debt burden, with the rescheduling of such debts in accordance with Paris Club decisions and in a way that would preserve the financial strength of international institutions.

In this respect, we reaffirm our support for the recommendation in the Secretary-General's report on follow-up to and implementation of the outcome of the International Conference on Financing for Development (A/61/217), about the need for a paradigm shift to debt restructuring approaches that achieve self-regenerating growth in debt-distressed countries, including the use of grants and the possibility of a 100 per cent debt cancellation. Absent this kind of growth and the release of resources for poverty alleviation, in many countries the debt overhang will continue to be an obstacle to the achievement of the internationally agreed development goals, including the Millennium Development Goals (MDGs).

To that end, the Kuwait Fund for Economic Development has contributed to the alleviation of the external debt of 14 heavily indebted poor countries in Africa. The Fund reduced the debts of those countries by rescheduling them over a period of 40 years with a 16-year grace period, and with interest rate spreads between 0.5 and 2 per cent. These terms are far easier than the original ones. Moreover, the Fund is in the process of reducing the debts of other African countries.

I wish to refer here to the principle of partnership among developing countries themselves and to the role that the Fund for International Development of the Organization of Petroleum Exporting Countries is playing in reducing the external debt of 18 African countries; Kuwait is a participant in that Fund.

The time has come to change the manner and the method by which we deal with the challenges represented by the debt crisis of developing countries and to mobilize financial resources for development by shifting to the phase of action and fulfilling the commitments undertaken at numerous international conferences and in international agreements that we have signed and ratified.

In order for the world to move forward towards achieving the MDGs in the specified time frame, we should take the measures necessary to save the lives of millions of people and improve their standard of living within a few years, in order to reach the desired goals by the year 2015. That would be in tune with the political will that our leaders embodied in the Millennium Summit. It is our hope that success at the first Follow-up International Conference on Financing for Development, scheduled to be held in Doha during the second half of 2008, will provide hope for the achievement of that goal.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Roble Olhaye, chairman of the delegation of Djibouti.

Mr. Olhaye (Djibouti): This occasion affords us the opportunity to assess the agreements reached at the International Conference on Financing for Development held in Monterrey, Mexico, in 2002. At that time, we were able to arrive at what is referred to as the Monterrey Consensus, which had six core areas. In fact, while there were six areas, the number of issues covered was actually quite high and included many topics, events, papers, reports, statistics and so forth. We find ourselves in a situation, therefore, where the welter of details and materials explored often buries us, until we lose our perception of what essential issues we must consider. Have we in fact significantly improved and extended the lives of the world's poor, particularly in Africa? Overall, is the world a better place to live in?

In Monterrey, the developing countries committed themselves to take primary responsibility for their own development, and to institute sound fiscal, economic and social policies. So far, the achievements in those key areas have been positive, although we have to acknowledge the endemic nature of poverty, particularly in Africa. More needs to be done to increase social expenditure, to enhance infrastructure development, to encourage more private capital flows, to reduce obstacles to international trade, to complete the Doha Round negotiations and to forge an open, non-discriminatory and equitable multilateral trading system.

It is comforting to hear Mr. Robert Zoellick, the new President of the World Bank, assert that developing countries, particularly African nations, need assistance to build infrastructure for higher growth, especially energy and physical facilities. According to Mr. Zoellick, greater investments in agriculture, irrigation and rural microcredit and policies that strengthen market opportunities are areas upon which to focus.

Through the Outcome Document of the 2005 World Summit, and subsequently at the meetings of the Group of Eight (G-8) in Gleneagles in 2006 and in Heiligendamm in 2007, G-8 leaders not only reaffirmed the implementation of Monterrey

Consensus, but also agreed to increase development assistance toward achieving the Millennium Development Goals (MDGs).

In this regard, it is important to realize that we need fewer conferences, summits, round tables and relentless evaluation exercises. Instead, we require perhaps, a greater acceleration of aid delivery. In short, we lack the translation of promises into practical, timely and adequate dispensation of resources. Again, our expectation is that the review conference on the implementation of the Monterrey Consensus in Doha next year will mark a turning point in demonstrating the necessary political will toward enhancing global trust.

The report of the Secretary-General prepared for this meeting (A/62/217) accepts that public investment has a critical role in development. It notes the concern over the extended period characterized by insufficient public investment in infrastructure, for example, brought on by an overemphasis on fiscal balance and price stability. For many this has reduced midterm growth prospects. Here again this report states that,

> "The original confidence that the private sector would substitute totally for the public sector in infrastructure has proved to be grossly misplaced. ... The pubic sector and multilateral development banks need to remain active in financing projects at times when and in places where private investors are unable to earn sufficiently high returns and in low-income countries where the supply of private financing is low..." (*A/62/217, para. 23-24*).

Certainly this is an apt description of most of Africa. The effort to impose private enterprise and capital on places and undertakings where such funds or opportunities do not exist faces many difficulties.

We agree, of course, with the report's conclusion that there is an urgent need to increase the overall volume of aid flows net of debt relief, technical assistance and emergency relief to meet internationally agreed development objectives. The issue of concentration of aid flows, such that many poor, low-income countries receive very little aid and some experience surges in aid flows, also needs to be corrected.

The Secretary-General's report also explores the Monterrey Consensus call for modernizing the governance of global finance institutions. My Government is encouraged that various proposals and initiatives are now under consideration by the boards of the World Bank and the International Monetary Fund (IMF), all seeking to strengthen the participation and increase the voting power of developing countries in the process of decision-making and norm setting, in order to create a harmonious global, economic and financial climate.

We therefore welcome the report's support for current efforts to reform voice and participation in these institutions, which would enhance their effectiveness and relevance to users of their resources. This is best stated by the report:

> "The international community should close ranks and make substantial progress towards governance reform in IMF and the World Bank in the next two years. At a minimum, the final outcome of the voting reallocations should result in a significant increase in the voting power of developing countries as a group" (*Ibid., para. 115*).

The Monterrey Consensus and subsequent forums urged the developed countries to make concrete efforts towards achieving the agreed 0.7 per cent aid target to developing countries, in order for these countries to have greater ability to reduce poverty and inequality, increase growth, build capacity and accelerate progress towards achieving the MDGs.

In particular, as we have acknowledged in many instances, the least developed countries, as the most underprivileged, require special attention to enable them to integrate into the world economy. Otherwise they face marginalization and, for some, possible disintegration.

Finally, these days not all resource flows for investment or development are from the developed countries. Here, we need to acknowledge that many countries carrying the label "emerging nations" are today, thanks to favourable market conditions, flush with cash and have, according to informed sources, established what is known as sovereign wealth funds totalling more than $3 trillion that dwarf the aid budgets of the World Bank, IMF and Western nations.

Some of these nations, particularly some Arab Gulf States, have poured investments into developing countries ranging from Djibouti, to Senegal, to South Africa and to Rwanda and the Comoros to the

tune of billions of dollars. Many countries, including my own, acknowledge such investments, and, in my country in particular, more than $1 billion are in the pipeline, thus helping us towards the realization of our dream to become a regional hub, not to mention the fact of the positive impact such investments will have in the attainment of the MDGs.

These new sources of direct investments need our encouragement, and we should be careful not to pressure such sources in ways that will inhibit this investment, for example by insisting on the adoption of burdensome practices and procedures that are not, as we all know, quite helpful in poverty reduction.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Peter Moors, Director-General for Developmental Cooperation, of Belgium.

Mr. Moors (Belgium): Let me at the outset express Belgium's alignment with the statement made by Portugal on behalf of the European Union.

My statement today will be limited to four points: progress made since the Monterrey Consensus, the need to focus on countries that are missing out on recent economic growth, the need for coordination and harmonization in the ever expanding and complex aid architecture and mobilization of domestic resources.

Let me first start with the good news. In many respects the Consensus reached at Monterrey in 2002 has been the basis for substantive progress and successes. Let me provide just a few examples: a considerable and growing number of countries have been able to use international trade as an engine for strong economic growth. The primacy of country ownership is now generally accepted; this must be the basis for a growing drive towards alignment and harmonization. The importance of good governance has become widely recognized. Overall, the debt situation has greatly improved. In the field of technical and financial cooperation, a number of new initiatives and new actors, both private and public, have joined the global effort. Most importantly, overall economic growth has been unprecedented.

This brings me to my second point. Today, the large majority of people in the so-called third world live in countries that have recently seen remarkable growth rates and substantial improvement in living standards. There is every reason to believe that, given the right international context, these countries will be able to continue with this promising trend and thus narrow the gap.

The real challenge of the coming years, however, is the dreadful condition of a number of countries that have not partaken in this fortunate evolution. Most of these countries are in Africa; many of them are in a disadvantaged situation; often they are small, landlocked or both; often they are in conflict or post-conflict situations; often their institutional governance is weak and fragile. There is a high probability that these countries will not be able to catch up without substantial support and assistance from the international community.

Therefore, I think that this group of countries should be the focus of the Monterrey review process leading to Doha. All Member States and all relevant partners should take part in the reflection on what can be done to raise these countries from the poverty trap.

With my third point, I want to go back to what I said earlier about the many new initiatives and non-traditional actors, private and public, that have joined the global effort of providing technical and financial international cooperation. We can only commend that evolution. The needs are huge, and any help is welcome, but the proliferation of actors is not without risks — the larger the number of players, the larger the need for coordination and harmonization. One of the objectives of the Monterrey review process should be to bring all actors together behind a limited number of fundamental principles. In my mind, those principles are the primacy of country ownership, alignment with national strategies, harmonization of processes and untying of aid.

Finally, I want to say a word about the first pillar of the Monterrey Consensus — the mobilization of domestic resources. For a resource mobilization strategy to be effective, it needs two things: a proper resource allocation mechanism and a functioning resource management system. We have to strengthen our efforts to increase the efficiency of public sector management and its effects on income distribution.

In that context, I would like to emphasize the issue of the proceeds of natural resources. The relationship between natural resources and conflict was the theme of a Security Council thematic debate under the Belgian presidency in June this year. It is true that, all too often, natural resources have fuelled armed

conflicts, but if well managed, the revenues of natural resources can also be a massive source of finance for development. That is a shared responsibility of Governments and international partners. We should look together into ways of increasing the quality and transparency of contracts related to natural resources. We should work for global codes of conduct and evolve from voluntary mechanisms towards a binding set of international standards.

To sum up, I want to make a triple appeal. First, let us focus on the poorest countries that desperately need our help. Secondly, let us make sure that all actors are behind the principles of Monterrey. Thirdly, let us make sure that the proceeds of natural resources are used in a way that is conducive to development.

The Acting President (*spoke in Spanish*): I give the floor to His Excellency Mr. Liu Zhenmin, chairman of the delegation of China.

Mr. Liu Zhenmin (China) (*spoke in Chinese*): The Chinese delegation associates itself with the statement made by the representative of Pakistan on behalf of the Group of 77 and China. We wish to thank the Secretary-General for his report on financing for development.

Financing for development is an issue that concerns the international community as a whole. As agreed in the Monterrey Consensus, developing and developed countries should establish a new partnership, take comprehensive measures domestically and internationally, enhance policy continuity and consistency, and mobilize capital from all channels to promote common development. The Chinese delegation hopes that this High-level Dialogue will give new impetus to the financing for development process.

Over the past two years, stakeholders have gained a deeper understanding of the policies and means concerning financing for development. Nevertheless, there still exists a huge financial gap if poverty is to be eradicated and the internationally agreed development goals, including the Millennium Development Goals (MDGs), are to be achieved. Private investment has bypassed many poor countries that are in greatest need of capital. Official development assistance (ODA) fell between 2005 and 2006. New manifestations of trade protectionism have emerged, plunging the exports of many developing countries, especially the least developed countries, into grave difficulties.

As poverty and underdevelopment are suffered mainly by developing countries, the most difficult part of financing for development is to mobilize funds on their behalf. The biggest obstacle to financing for development is the innate deficiency suffered by developing countries due to their long-term backwardness. In the light of that situation, the international community should intervene constructively, rather than rely solely on market forces. On the one hand, it needs to provide financial assistance to help developing countries resolve the pressing issue of development; on the other, it should create a favourable external environment for developing countries to build their capacity for mobilizing funds through their own efforts. The Chinese delegation believes that the following aspects should command our particular attention in the forthcoming dialogue.

First, we should encourage and support capacity-building by developing countries themselves. International institutions and donor countries should take the needs of recipient countries into account when they provide technical assistance to support developing countries in reforming economic and financial systems, enhancing the rule of law, eliminating corruption and establishing public-private partnerships. Policy space is needed in that regard to reflect the demand of developing countries to identify and implement development strategies based on their own priorities.

Secondly, we should increase ODA. We hope that the developed countries will heed the voice of the vast number of developing countries and take concrete measures to honour their commitments to increasing ODA so as to ensure that, apart from debt reduction and emergency humanitarian assistance, more financial resources flow to developing countries, and that the goal of allocating 0.7 per cent of their gross national income to ODA will be achieved.

Thirdly, we must give full play to the role of trade as the engine of development. The international community should ensure that the multilateral trading regime is open, fair, non-discriminatory and rule-based. Concrete and effective measures need to be taken to help increase the competitiveness of developing countries and give play to their comparative advantages. It is our hope that the Doha Round of negotiations will achieve its goal as a development round, effectively address the concerns of developing countries, and come to an early conclusion.

Fourthly, we have to address new problems and guard against financial risks. Recent years have witnessed the rise of greater imbalances in the global economy and increasing complexity and unpredictability in the financial markets. Countries and the international organizations concerned should make concerted efforts to better manage the flow of international capital and prevent and fend off financial risks so as to ensure a stable environment conducive to global development.

Fifthly, we should promote the reform of the international financial architecture. The reform of the international financial regime should reflect the changes in the international economic landscape by taking full account of the actual needs of developing countries and increasing their voice and representation.

The Chinese Government has adopted reform and opening-up as a fundamental national policy. We will continue to improve macroeconomic regulation, firmly push ahead with the reform of the financial system, and give full play to the potential of domestic savings and investment. At the same time, we will create an enabling environment for attracting foreign investment, improve our capacity to address financial risks, and maintain the sustained and rapid development of the economy.

As a developing country, China — apart from addressing its own difficulties in financing for development — has done what it can to provide assistance to other developing countries in such diversified forms as debt relief, trade preferences, infrastructure development, productive investment and economic exchanges. Our aim is to help them increase their capacity for sustainable development and achieve common progress. The Chinese Government will continue to strengthen consultations and share best practices in financing for development with all parties concerned so as to deepen mutually beneficial cooperation and promote common development.

The Follow-up International Conference on Financing for Development will be held in Doha next year. It will be an important opportunity for us to comprehensively review the implementation of the Monterrey Consensus and discuss ways to further strengthen cooperation. We hope that the parties concerned will conduct pragmatic discussions in the light of the current situation and push for substantive progress in international cooperation on financing for development, so as to contribute to poverty eradication and common development.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Jean-Marc Hoscheit, chairman of the delegation of Luxembourg.

Mr. Hoscheit (Luxembourg) (*spoke in French*): Let me say at the outset that Luxembourg fully aligns itself with the statement made by the representative of Portugal on behalf of the European Union.

The coming year is crucial in terms of development. It will be necessary to handle, simultaneously, and in a convergent manner, the World Trade Organization trade negotiations, the follow-up to the Monterrey Conference on Financing for Development and the implementation of the Paris Declaration on Aid Effectiveness.

The leaders meeting to be convened in 2008 in the framework of the General Assembly for a midterm review of the Millennium Development Goals will certainly be a good opportunity to take stock of where we stand and to reinvigorate our efforts. It seems essential that, in general, questions of development and development cooperation be addressed in both their quantitative and qualitative aspects. Today's debate is an opportunity to take stock of advances and progress, of obstacles and constraints, and also of new possibilities for partnership between developed and developing countries.

Since the adoption of the Monterrey Consensus, we have seen considerable progress in certain areas and in certain regions. We are pleased that the downward trend in official development assistance (ODA) was reversed in 2005, including by a strong and unprecedented commitment by the European Union and its member States which, since, have mobilized 57 per cent of worldwide ODA.

Despite this progress, however, the picture of the implementation of the Monterrey Consensus remains, unfortunately, mixed. Alongside the progress, we must also note stagnation, and even regression. However, the current international economic situation should make possible bold efforts at the national and international levels.

Acting upon the concrete recommendations found, in particular, in the report of the Secretary-General (A/62/217) should help us to implement in a balanced way the six major thematic areas of the

Monterrey Consensus. I shall focus my statement on three of them: mobilizing of financial resources for development, both domestic and international; and international trade as an engine for development.

First, regarding mobilizing domestic financial resources for development, we can see that, overall, macroeconomic policies in developing countries have improved over the past 20 years. The Monterrey Consensus states clearly that each country has primary responsibility for its own economic and social development. In this context, I should like to emphasize the importance of good governance, sound economic policies, viable development strategies, concerted efforts at mobilizing national resources and improving the efficiency of public expenditures and the creation of a stable, transparent and predictable investment climate.

Good governance also makes it possible to achieve better development outcomes. That implies a permanent and structured internal political dialogue, notably on the questions of human rights, democracy, the rule of law and the fight against corruption. In addition to this internal dialogue, there should also be a fruitful dialogue between donor and recipient partners. For our part, we stand ready, with our partners in the South, to support these actions with financial and technical support adapted to local circumstances.

Secondly, on mobilizing international resources for development, I would like first to recall that my Government has undertaken to raise the Grand Duchy's ODA to 1 per cent of gross national income (GNI) over the next few years. Our ODA reached almost 0.9 per cent in 2006 while we pursued, in parallel, our efforts to improve the effectiveness and the quality of the assistance.

Luxembourg has actively participated in defining the quantitative and qualitative standards which the European Union endorsed in the first half of 2005. Furthermore, under the Luxembourg presidency, the European Union marked out the path to meet those standards and, for the first time, the States members of the expanded European Union collectively undertook to raise ODA to 0.7 per cent of GNI by 2015. Thus, the European Union is on the right path for fulfilling its Monterrey commitments. In 2006, it devoted 0.42 per cent of GNI to development efforts.

The ODA of the countries of the Organization for Economic Cooperation and Development, overall, fell by 5.1 per cent in 2006. That development is disturbing because, if it continues, it will not be possible for us to attain the Millennium Development Goals (MDGs) by 2015.

Since 2002, other methods for mobilizing additional resources for development have been explored and developed, including what are known as innovative sources of finance. These are thoroughly praiseworthy efforts, but they cannot be a substitute for ODA, which remains central to our global partnership for development.

Thirdly, I would like to discuss international trade as an engine for development. It should be emphasized that the Monterrey Consensus and the Millennium Declaration identify international trade as a key engine for growth and development. To take up the challenge of development so that trade becomes a source of growth, resources and tax revenues, developing countries must find their place in the context of international trade and intelligently integrate their economic activities in that context. Success in the framework in the Doha Round of negotiations requires efforts by all — developing, emerging and developed countries alike.

Controlled globalization must be oriented towards an economic development that truly integrates social and environmental dimensions — in other words, towards what we call sustainable development. The participation of developing countries in world trade requires a strengthening of their institutions and capacities to adapt their regulatory frameworks, as well as the establishment of a sound fiscal base in order to stimulate economic growth. It also requires good economic governance, development of the private sector, capacities and educational systems, and a significant improvement in transport and energy infrastructures.

We are confident that these two days will make it possible for us to gather many views and to come together in a constructive spirit in order to prepare, in a fruitful manner, our important meetings in 2008.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Abdulrahman Al Mufadhi, chairman of the delegation of Saudi Arabia.

Mr. Al Mufadhi (Saudi Arabia): At the outset, let me welcome this opportunity to take stock of the status of implementation and the tasks ahead under the

Monterrey Consensus of 2002. The overall picture is, indeed, one of considerable progress in poverty eradication and sustained development. Poverty levels have declined substantially, and developing countries, as a group, are now an increasingly important source of global growth.

However, as we can all see, and agree, the overall picture can be misleading. The outcomes remain mixed, as marked progress, especially in the larger countries of Asia, has been accompanied by modest growth, stagnation or decline in other regions, particularly in Africa. Many of the least developed and fragile economies, particularly those recently or still in the midst of conflict, are actually registering an increase in poverty and inequality. Even the better-performing countries such as China and India have large-scale poverty that remains to be addressed. Helping the lagging countries eradicate poverty and achieve the Millennium Development Goals towards sustained, equitable and inclusive development is clearly our collective obligation. That puts the spotlight, once again, on the key themes in financing for development highlighted in the Monterrey Consensus.

It is worth taking time to assess where we stand now on the agreed spectrum of actions. On domestic resource mobilization, progress has been substantial in the wake of widespread macroeconomic improvements as well as ongoing structural reforms conducive to sustained public and private investment for growth. Success in promoting a business-friendly environment has been central to the rising role of private investment, domestic as well as foreign, that is evident in those developing countries that are experiencing faster poverty reduction and growth.

The key to further success is in vigorous private investment, facilitated by public sector investment as needed, to develop the requisite physical, institutional and financial infrastructure with a view to enhancing competitiveness. The importance of continued vigilance for sustained macroeconomic prudence and structural reform is further underscored by the need to attract and preserve investor confidence, especially in the current context of increased uncertainties in financial markets after an extended period of rapid growth in both portfolio and direct private investment inflows into the developing countries.

Clearly, while business-conducive domestic policies are indispensable for poverty reduction and growth, success presupposes dynamism of trade, which was rightly identified at Monterrey as a leading actionable theme. The proven efficacy of trade requires us to again highlight the current disappointing state of the negotiations for further liberalization under the Doha Round. Of course, success here would require strong proactive policies in industrial countries to dismantle trade-distorting farm subsidies and barriers to imports of developing countries' products.

Meanwhile, the increased focus on aid for trade is welcome to help fill the large gaps in the trading infrastructure, especially of the low-income countries, which have in fact witnessed a decline in their collective share of the still rapidly expanding volume of global trade. As regards the proliferation of regional and bilateral trade agreements, that is one more signal that success in the Doha Round is critical for ensuring orderly global economic integration consistent with the multilateral trading system as embodied in the World Trade Organization.

Turning to the theme of international financial and technical cooperation, it is disappointing that the share of gross national income (GNI) for official development assistance (ODA) dipped again, to reach 0.3 per cent in 2006 following a marginal rise to 0.33 per cent in 2005, after a drop to as low as 0.2 per cent in 2002. ODA thus remains well below the level needed to reach the MDGs, as agreed, by 2015 — not to mention the United Nations target of 0.7 per cent.

It should also be noted here that over the years Saudi Arabia has consistently exceeded the United Nations target for ODA by a wide margin. Given the agreed goals for poverty reduction and growth, the donor community needs to be more ambitious in setting the aid volume going forward. For efforts of the developing countries to bear fruit, it is imperative that aid levels be scaled up and made more predictable and stable as well as better aligned with the beneficiary countries' own strategies, planning horizons and absorptive capacity. Focus on increased effectiveness of aid is especially important in view of the still relatively low levels of ODA.

The Monterrey Consensus emphasis on orderly debt relief was premised on adding fiscal space for development financing. That certainly is not a one-off task, since ongoing attention is necessary for ensuring

a virtuous circle of sustained growth and the resulting expansion of policy space to help avoid debt distress. I also agree that a well-coordinated debt-management effort is needed to ensure the efficient management of debt maturity and currency profiles.

Here, I draw attention to the urgency of ensuring the additionality of financing for development. As an example, I would note here the importance of a full replenishment of the loss of repayment reflows for the International Development Association following debt cancellations under the Multilateral Debt Reduction Initiative.

On systemic issues, I welcome ongoing efforts promoting the coherence and consistency of global monetary, financial and trading systems. I remain supportive of the goal of enhanced participation for developing and transition countries in decision-making at the International Monetary Fund and the World Bank, as envisaged under the Monterrey Consensus. This, of course, is an issue awaiting consensus for constructive action. I also encourage full use of the available scope for enhanced collaboration between the Bank and the Fund in line with their respective institutional mandates and comparative advantages.

Before I conclude, I wish to add a word on the special problems facing least developed countries emerging from conflict. I share the view that success in achieving the agreed poverty-reduction and growth goals would go a long way towards reducing the risk of conflict. To that end, the international community needs to be proactive on what could be termed pre-conflict situations rather than delaying engagement until a conflict begins or ceases.

Finally, containment of geopolitical tensions and a generally supportive regional and international environment are crucial for sustained poverty reduction and robust growth.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Gilles Noghès, chairman of the delegation of Monaco.

Mr. Noghès (Monaco) (*spoke in French*): Since the adoption of the Monterrey Consensus at the International Conference on Financing for Development, Monaco's contribution to official development assistance (ODA) has continued to grow. Specifically, since 2003 that contribution has increased by more than 25 per cent each year. The Principality Government is thus positioning itself to gradually reach the objective of 0.7 per cent of Monaco's gross national income (GNI) devoted to official development assistance by 2015.

The major areas for Monaco's cooperation — whether technical or financial — are part of the framework of the Millennium Development Goals (MDGs): combating poverty, promoting education, developing primary health care systems, combating pandemics and promoting environmental protection in the broadest sense.

Like all stakeholders in the Monterrey Consensus who have undertaken to ensure the implementation of that partnership, my Government intends to assume its responsibilities and to come to the assistance of the most disadvantaged and the most vulnerable. In addition, our cooperation policy is aimed chiefly at improving the living conditions of women and children in certain countries. This is a cross-cutting approach that we are working to implement with the active contribution of many non-governmental organizations in the Principality or present in the target countries. From that angle, the Government attaches importance to action on the ground whose development and outcomes it can measure.

In addition its voluntary contributions to the United Nations and to several organizations and institutions such as UNESCO, the World Health Organization, the Joint United Nations Programme on HIV/AIDS, UNICEF, the United Nations Development Programme and the Office of the United Nations High Commissioner for Refugees, cooperation funding is also used to benefit bilateral cooperation. The Government thus decided to allocate, beginning in 2008, a line of credit of €250,000 per year to microfinance institutions with the goal of building capacity in developing countries on the African continent.

Development financing is at the heart of our priorities at the sixty-second session. We are convinced that the positioning will be decisive in the light of the preparations for the Follow-up International Conference on Financing for Development planned for Doha in 2008, to which my delegation — I can assure the Assembly — will give its full support.

The Acting President (*spoke in Spanish*): I now give the floor to Her Excellency, Ms. Marisol Argueta de Barillas, chair of the delegation of El Salvador.

Ms. Argueta (El Salvador) (*spoke in Spanish*): El Salvador confirms its commitment under the Monterrey Consensus, and in this context we endorse the position presented by representative of Chile speaking on behalf of the Rio Group, and that of Pakistan speaking on behalf of the Group of 77 and China.

Without doubt the main responsibility for their own economic and social development lies with the countries themselves. We therefore acknowledge the importance of continuing the mobilization of domestic resources in the implementation of development plans, emphasizing growth and the attainment of the Millennium Development Goals (MDGs) and increasing investment in programmes for education and in the better use of science and technology for meaningful progress along the path towards development.

We attach equal importance to adequate distribution of domestic resources and implementation of appropriate fiscal policies in order to achieve better social cohesion, as well as the strengthening of democratic institutions, the consolidation of the rule of law and the adoption of transparency patterns in public administration in order to build solid bases for truly sustainable development.

We must consider that many countries continue to be vulnerable to external conditions, such as the trends toward slowing down of larger developed economies and the volatility of financial and commodity markets at the international level. My delegation believes that it is essential to conclude the Doha Round with fair and equitable results and with the application of aid for trade and foreign direct investment initiatives, recognizing the contribution of the private sector in the development process.

Many countries are faced with new opportunities and new challenges resulting from globalization, which has provoked as one of its effects the intensification of international emigration, which is accompanied by the mobilization of a significant flow of resources through family remittances. In many countries, remittances have replaced the main traditional sources of income. While those resources are unquestionably private, all possible efforts have to be undertaken to reduce the cost of those transfers and to encourage a productive use of the resources so that they contribute to the national goals for development and social well-being.

We also believe that to accelerate progress and the research of its impact, national initiatives for development should fit within an international framework of solidarity that would facilitate the achievement of globally shared objectives. For this, we would like to stress the role of official development assistance (ODA) and, in particular, the situation facing middle-income countries within the system of international cooperation, which have experienced, in recent years, a marked decrease in international development cooperation.

Together, middle-income countries number 92, with per capita income ranging between approximately $840 and $9,400. Within this group, 47 per cent of the world's population is concentrated, with more than 41 per cent living under the poverty-line income of $2 a day. Many of these countries are highly unstable in terms of economic growth and face a high degree of environmental and geographic vulnerability, with a high recurrence of natural disasters that makes it more and more difficult to achieve continuous, stable progress.

Moreover, this group of developing countries is very heterogeneous, so continuous allocation of international resources should be an adequate reflection of this diversity without affecting cooperation that reasonably is assigned as a priority to least developed countries. We call upon the international community and the United Nations system to implement new and innovative mechanisms to provide middle-income countries more clearly focused cooperation in accordance with needs and demands as a complement to their national efforts in combating poverty, in the achievement of the Millennium Development Goals and in the consolidation of their progress in economic and social development, and in peacebuilding in countries that have suffered from conflict.

We would also like to stress the more active role that South-South cooperation should play, as a complement to North-South cooperation, in order to establish closer links for cooperation both among middle-income countries and between those countries and low-income countries. That can also be done through triangular cooperation when the financial participation of a developed country is involved.

On debt relief, my delegation would like to stress not only the strengthening of regional financial

arrangements for this purpose but also the application of the proposals analysed in the Paris Club for debt cancellation, in exchange for social spending on projects linked to attaining the MDGs and on projects for the protection of the environment.

We would especially like to stress the initiative of the Government of Spain in organizing the first Intergovernmental Conference on Middle-Income Countries. Following that conference, El Salvador was host, a few weeks ago, to the Second International Conference on the same subject. We had an extensive attendance of more than 67 delegations, and the El Salvador Consensus was adopted unanimously. This document covered the main aspects related to international cooperation with middle-income countries, with the basic objective of raising awareness in the international community as to the importance of giving support to such countries in their endeavours to advance further in their development. The consensus also contains a commitment to place this topic on the agenda of international organizations and financial institutions.

To that end, we have called upon the Secretary-General to circulate the El Salvador Consensus as an official document. We are grateful to the reference to the Conference in the Secretary-General's report (A/62/217).

Similarly, we believe that the preparatory process for the Doha Round of 2008 is suitable for establishing a mandate to the Secretary-General so that he can support what is relevant in the development of the topic of development cooperation with middle-income countries so that this topic can be strengthened on the Doha agenda. We would also be grateful if it could be reflected in the President's summary of this High-level Dialogue.

Before concluding, I would like to recall that, first and foremost, development efforts must have human meaning. Therefore, we cannot forget that women represent over 51 per cent of the world population; we have to strengthen our commitment to gender mainstreaming in the treatment of this question across the board.

Finally, we would like to place our confidence in and offer our support to the two facilitators of this process. We would also like to stress the imminent need to establish an ad hoc follow-up mechanism to assure a more systematic and permanent focus on the important question of financing for development, in which, as developed countries and developing countries alike, we must assume the co-responsibility that is ours.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency, Mr. Jorge Voto-Bernales, chairman of the delegation of Peru.

Mr. Voto-Bernales (Peru) (*spoke in Spanish*): My delegation would like to endorse what was said by the Minister of Economic Affairs of Pakistan, speaking on behalf of the Group of 77 and China, as well as the statement made by the representative of Chile speaking on behalf of the Rio Group.

My country would like to reaffirm that the challenge is to revitalize multilateral cooperation, so as to allow developing countries to benefit from available financial resources and establish partnerships with the private sector, bilateral sources and non-governmental organizations.

We acknowledge that national resources will remain the main source of financing of sustainable development, in consonance with the principle established in Monterrey that each country has the primary responsibility for its own development. At the same time, we believe that public and private resources at the international level remain crucial.

Thus, we must stress the need to establish an adequate balance between the market and public interest, through joint initiatives, the public and private sectors that allow the combining of market innovations, social responsibility and adequate regulation.

It is important to concentrate on the application of an effective operational strategy, so as to seek greater official development assistance (ODA) over and above the contributions offered in Monterrey for sustainable development and environmental protection and for investments in education, innovation, science and technology. For this purpose, we should, first, emphasize new instruments being conceived to reactivate the exchange of debt for investment in education, technology and innovation, to turn these into viable instruments to foster development, in particular in the case of middle-income countries; secondly, support communities and local and national Governments to facilitate access and equal conditions to the innovative mechanisms for funding; and thirdly,

identify the form for foreign investment needed to provide a greater contribution to sustainable development and technology transfer.

We should also stress the need to seek a point of convergence for United Nations efforts with the Bretton Woods institutions, the World Trade Organization, the private sector and civil society. Equally, we should strengthen the spirit of association between industrialized countries and developing countries in seeking broad consensus to revitalize the North-South dialogue and set a road map for the global areas of the Monterrey Consensus, in particular, first, domestic policy, strengthening the domestic financial system, having it become more inclusive, financing of small and medium-sized undertakings, actions for generating greater equity; secondly, mobilization of international flows, a greater benefit from foreign direct investment through association with local capital, private investments focusing on infrastructure and financial movement between South-South countries; thirdly, international trade, where there is an urgent need for finalization of the Doha Round, in terms consistent with the promotion of development, as well as the immediate implementation of the results. As to official development assistance, there should be lesser conditionality, as well as transaction costs.

We need to debate the inclusion of middle-income countries on the agenda of international cooperation. I feel this should be clear; this should not be taken as competition in a fight to obtain funds with countries that are poorer than our own. We would like to back Mexico's position here, that remittances should be considered as strictly private flows for nuclear family units, essentially for their own use, not to be seen as a boost to long-term development.

Finally, I would like to underscore two elements that are of importance in our view. First, for Peru, trade is the main source of economic dynamism, fostering investments with greater employment, consumption and tax revenue. It thus creates new resources for development funding. For that reason, our country has included trade as a fundamental part of our strategy to fight poverty. We have also thus initiated an extensive strategy for the negotiation of free trade treaties on a bilateral basis.

In addition, we would like to stress the urgency of reactivation of the Doha Round to achieve open trade, based on non-discriminatory, equitable rules. It is important to improve and have more predictable access to all markets for all products and services of developing countries. Technical assistance, as "Aid for Trade", to strengthen exportable goods, often limited in developing countries, is a fundamental variable that should be taken into account and that should be seen as comprehensive, looking not only at production capacities, but also at improvement of infrastructure as trade support and at programmes for social protection and adjustment.

The Acting President (*spoke in Spanish*): I now give the floor to Ambassador Rodrigo Malmierca Díaz, chairman of the delegation of Cuba.

Mr. Malmierca Díaz (Cuba) (*spoke in Spanish*): The delegation of Cuba would like to align itself with the statement made by the representative of Pakistan, on behalf of the Group of 77 and China. We would also like to make some comments on this issue, which we deem highly relevant and important for the developing countries.

At a time when we are getting ready for the upcoming International Conference on Financing for Development, to be held next year in Doha, Qatar, this dialogue becomes ever more significant, for it gives us the opportunity to identify the main challenges and obstacles related to financing for development and to promote concrete measures that will allow us to meet the commitments and goals set out in Monterrey and in other multilateral venues related to development, poverty reduction, international cooperation and the establishment of an equitable, just and inclusive international economic, commercial and financing system.

In this regard, we must seize this opportunity to correctly evaluate the discussion and the way to address the macroeconomic problems related to development, allowing us to truly tackle the dire economic and social situation that the developing world continues to suffer today.

Five years after the adoption of the Monterrey Consensus, our delegation continues to be very discouraged at how long-lasting solutions to the issues addressed by the Consensus, such as official development assistance (ODA), external debt, foreign direct investment (FDI) and international trade, continue to be but a pipe-dream. Financing for development continues to be the ultimate outstanding item of the international agenda. It is evident that the

spirit of Monterrey has not been enough to provide the developing countries with the resources they so badly need to realize their right to development.

The Monterrey Consensus acknowledged the need to increase stable and predictable financial flows towards developing countries, as the key condition to achieve their economic growth. However, despite all the promises made, the amount of official development assistance last year only accounted for 0.3 per cent of the developed countries' gross domestic product (GDP), which meant a decrease of 5.1 per cent in real terms compared to 2005.

Nevertheless, annual military expenditures are more than one trillion dollars. With only 10 per cent of the resources invested in military expenditures, the Millennium Development Goals could be reached. An estimated $150 billion a year are necessary to reach those Goals.

The figures prove that developing countries continue to be net issuers of financial resources to the rich and industrialized world. Since the year 2000, the net transfer of resources from the poor countries to the developed world has more than tripled. Last year alone, it reached a record $650 billion. The question of who finances whom is even more relevant today.

Therefore, Cuba considers it important to establish a mechanism for the supervision of and follow-up on the commitments made in matters of official development assistance. This would allow us to know the progress made in this regard and would be an important step forward in the transparency and accountability we need when assessing the state of implementation of our goals in matters of financing for development.

Similarly, we believe that it is important to seek and implement innovative sources of financing for development. Yet, we want to stress that such alternative sources of financing should by no means replace the commitments made at the international level with regard to the official development assistance and other related issues, as shown in the outcome of the Monterrey Conference and the document adopted by the rest of the major United Nations Conferences and Summits.

In the framework of exploration of that kind of initiative, we would like to reiterate our interest in continuing to advance towards the implementation of proposals such as the issuing of special drawing rights, a tax on financial speculation and a carbon emissions tax, for we believe these would provide specific benefits for developing countries.

While there are some indicators that prove a certain increase of foreign direct investment, direct investment flows were only concentrated on a limited group of developing countries in specific areas. The more indebted poor countries continued to receive the smallest amounts.

Foreign trade has been recognized as the driving force behind economic growth and development, yet so far those potential benefits have not become a reality for many developing countries. They continue to have a very small share of international trade, which increases their marginalization in this area.

The true realization of the development dimension in international trade matters cannot be attained only through trade liberalization. Trade can only encourage development if it is carried out bearing in mind that the different countries should receive special and differentiated treatment on the basis of their development level.

The external debt of the developing countries continues to grow, and the vicious circle, in which the more you pay the more you owe, continues to characterize the tough reality of our countries, proving that shy initiatives and relief measures are not enough to solve the problem of external debt.

It is time for a deep, conscientious reflection by the entire international community about the current situation of the developing countries as a consequence of the unjust and unequal world economic order, which has proved untenable.

Official development assistance should be offered without conditions, which distort the essentially concessionary character of the assistance and subordinate the development needs and priorities of the recipient countries to the donors' interests.

The objectives and goals have been defined; however, in order to achieve them, it is vital that the developed countries show the necessary political will and honour their commitments, so they do not become dead letters, which remain ultimately the main challenge.

Programme of work

The President in the Chair.

The President: I should like to inform members that the consideration of agenda item 50 — "The role of the United Nations in promoting a new global human order" — originally scheduled for Tuesday, 30 October 2007, in the afternoon as the fifth item, has been postponed to Thursday morning, 15 November, as the fourth item. In addition, the Assembly will consider agenda item 167 — "Peace, security and reunification on the Korean peninsula" — on the afternoon of Wednesday, 31 October 2007.

The meeting rose at 1.05 p.m.